# "Minda Corporation Limited
# Q4 FY25 Earnings Conference Call"

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

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q4 and FY25 Results Conference Call of Minda Corporation Limited, hosted by ICICI Securities 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. Please note that this conference is being recorded. I now hand the conference over to Mr. Ronak Mehta from ICICI Securities. Thank you, and over to you, sir.

**Ronak Mehta:** Thank you, Puja. Good evening, everyone. On behalf of ICICI Securities, I would like to welcome you all to Q4 FY25 Earnings Conference Call of Minda Corporation Limited. Today, we have with us from the Management Team, Mr. Akash Minda Executive Director; Mr. Vinod Raheja Group CFO; Mr. Sameer Sharma Group Head, Strategy and M&A; and Mr. Nitesh Jain Lead Investor Relations. I would like to thank the Management for giving us this opportunity. I will now hand over the call to the Management for their opening comments, post which we will open the floor for Q&A. Over to you, sir.

**Aakash Minda:** Good afternoon, everybody. Thank you, Ronak, and thank you, ICICI Securities for hosting this call. Good afternoon, everyone, and welcome to the Q4 and FY25 Earnings Conference Call for Minda Corporation Limited.

I hope you are all doing well. It is a pleasure to connect with you today and present the Company's performance for the quarter and the full financial year, along with the key developments across the businesses.

Before we begin, I would like to take a moment to introduce Mr. Ajay Agarwal, who has joined us as President, Finance and Strategy. Mr. Agarwal is a chartered accountant and lawyer, brings over 24 years of experience in the areas of strategy and finance. We believe his commercial acumen; capital market expertise and strategic mindset will be key in shaping the next growth phase of our group. We would like to welcome him.

As FY25 concludes, the Indian automotive industry continued to navigate a dynamic environment with resilience. Amidst global macroeconomic challenges, the industry demonstrated stability, particularly in key vehicle segments. The 2-Wheeler segment recorded steady growth, led by premiumization, higher EV adoption, improved financing access and deeper urban penetration. Passenger vehicle demand was driven by a consumer shift towards SUVs and hatchbacks. The Commercial Vehicle segment saw a 3.3% decline in production volumes, impacted by infrastructure projects and delay in monsoon disruptions.

In contrast, the Tractor segment posted modest growth, aided by favorable rural sentiment, government support and a good monsoon. Overall, the industry delivered about a 6% Y-o-Y growth in Q4, underpinned by increased EV traction, product premiumization and rising consumer affordability.

Now reflecting on the Company performance:

Minda Corporation continued to strengthen its market position in Q4 FY25. The Company surpassed consensus estimates, delivering the highest-ever quarterly revenue of INR 1,321 crores, a growth of 9% on a Y-o-Y basis.

The Company reported highest-ever EBITDA of INR 153 crores, along with the highest ever margin of 11.6% for the quarter, demonstrating strong operational execution and the effectiveness of our strategic initiatives.

Profit before tax for the quarter stood at INR 65 crores with a margin of 4.9%. PAT for the Q4 FY25 stood at INR 52 crores with a PAT margin of 3.9%. This was impacted by higher finance costs associated with the strategic investment in flash electronics and increased depreciation stemming from ongoing capacity expansion and technological upgrades. These strategic investments are expected to deliver and drive accelerated growth in the future.

For the full year FY25, the Company delivered highest ever annual revenue of INR 5,056 crores, registering a growth of 9% Y-o-Y basis. The Company reported highest EBITDA of INR 575 crores, a growth of 12% Y-o-Y with a margin expansion of 31 basis points, with PAT for the full year stood at INR 255 crores, making a growth of about 12.5% Y-o-Y basis.

These results reaffirm the Company's focus on sustainable growth and consistent profitability through growth-oriented capital allocation strategy. Our strategic initiatives continue to drive growth and enhance our competitive position in the FY25.

Some of the key highlights are:

- In January 2025, Minda Corporation entered into a strategic partnership through the acquisition of 49% stake in Flash Electronics, a key player in powertrain and EV components in India. It is designed to offer complete system solutions and capture a greater share of the fast-growing Automotive and EV segment in India. This partnership opens up a new avenue for diversification through partnerships, adding powertrain and powertrain electronics as a new avenue for growth for the Company.
- During the year, the Company booked lifetime orders exceeding INR 8,000 crores with approximately 25% of new orders coming from electric vehicle platforms. This

underscores our increasing traction in the new energy vehicle, which continues to be our strategic focus area. In Q4, EV sales stood at about 8% of the Minda Corporation's total revenue and on a full year basis, it is approximately 7%.

- Flash Electronics has its 23% of its revenue coming from EV products, which is a 92% growth over the previous year. The Company also filed 30 new patents during the year, taking our total IPR portfolio to over 300, further strengthening our leadership in automotive innovation. These patents cover a wide range of products and technologies.
- Lastly, our commitment to innovation remains central to our strategy, where we invested over 4% of our revenues on R&D initiatives through our in-house R&D center in Pune and Bangalore, supported by a team of more than 900 focused engineers on next-generation automotive technologies.

Looking ahead, we remain focused on executing our strategic priorities. Our efforts to enhance system solutions offering, strengthening our customer relationships and investing in new technologies, and strong focus on operational excellence will continue to drive the growth in FY26 and beyond.

Now I will take you through the presentation, which is uploaded online. I request you to look at Page #2, which shows the snapshot of Spark Minda Group:

At the full year, we had about INR 7,500 crores at group level and consolidated revenue stands at INR 5,056 crores with 32 plants, more than 18,000 people and 5 business verticals. We have 6 joint ventures and 5 technical license agreements across the world.

Moving on to the next slide, which shows the Indian automotive industry performance:

For the Q4, we can see the industry grew about 6% Y-o-Y basis, driven by a strong growth of about 5.8% in 2-wheelers. On a full year basis, the overall industry grew by 9%, led by 2-wheeler industry growth by about 11%.

Moving on to the next slides on Q4 and the full year business performance, key strategic developments:

For Q4, the Company delivered its highest quarterly revenue of INR 1,321 crores, delivered also the highest ever EBITDA margin at 11.6%, which is a growth of 17 basis points. We secured multiple export orders for wiring harness in particular, with lifetime order book of INR 700 crores. We acquired 49% stake in Flash Electronics, where the transaction stands now completed. We also filed more than 13 patents during the quarter.

For the full year, the overall revenue grew by 9%, we delivered the highest ever EBITDA margin at 11.4%, secured lifetime orders worth more than INR 8,000 crores during the full year, signed 3 new strategic partnerships, filed more than 30 patents taking to 300-plus now.

Moving to the next slide, which shows a snapshot of the capex in our new facilities:

From the top left, we can see the die casting facility coming up in Pune, which is our fifth plant. On the extreme right, you will see the die casting Greater Noida facility in North, which is our 4th plant. Brownfield expansion in our Starter Motor Alternator division in North India. In the bottom left, you can see our third plant of Minda Instruments, which is the instrument cluster plant, the new shifting of the Spark Minda Technology Center, and last not the least is the Wiring Harness Component division for the localization of our connectors is also expanded and facilities set up.

Moving on to the next slide, which gives a snapshot on the performance of Flash Electronics:

In line with our estimation, Flash Electronics has delivered INR 1,537 crores for the full year. EBITDA at about INR 223 crores with EBITDA margin of 14.5% and EV revenue stands at 23%, which is a 92% growth on a Y-o-Y basis. They have 2 large verticals, which is the electrical and electronics and powertrain components. They have 6 facilities in India and 2 facilities in Germany and Hungary with a technical center in Poland.

On the right side, you will see the revenue has grown from INR 1,340 crores to INR 1,537 crores, which is a jump of 15% and EBITDA has grown from INR 198 crores to INR 223 crores, which is a jump of 12% and at a 14.5% margin. And the PAT margin has gone to 5.6% with a PAT at INR 86 crores.

Moving on to the next slide, which shows the financial highlights of Minda Corporation:

For the quarter on the top, you will see the revenue has grown 9% from INR 1,215 crores to INR 1,321 crores. At EBITDA, we have grown from INR 139 crores to INR 153 crores from 11.4% to 11.6%. And at PAT margin, we have gone from INR 71 crores to INR 52 crores, where we can explain later on account of the interest cost due to Flash Electronics investment.

On a full year basis, the Company revenue has grown from INR 4,651 crores to INR 5,056 crores, which is a growth of 9%. And EBITDA has grown by 12% from INR 514 crores to INR 575 crores, a jump of 30 basis points from 11.1% to 11.4%.

And PAT margin goes from INR 227 crores to INR 255 crores. In view of this, the Board of Directors has recommended a final dividend of 45% on the face value, that is INR 0.90 per equity share, totaling to 70% on the overall.

Business vertical performance on the next slide:

So our Mechatronics and Aftermarket division grew from INR 590 crores to INR 654 crores, marking an 11% jump. And Information and Connected Systems moved from INR 625 crores to INR 667 crores, showing a 7% jump.

On a full year basis on the right side, the Mechatronics division has increased its revenue by 10% from INR 2,251 crores to INR 2,475 crores, and the Wiring Harness and Instrument Cluster division has grown from INR 2,400 crores to INR 2,581 crores, marking 8% growth.

Moving to the next slide, which shows the revenue breakup by products and geography:

Wiring harness continues to be about 28%; vehicle access 24%; die casting 16%; clusters 16%; and others, which includes our sensors, EV products, other electronics is growing to 16% now.

By geography, India continues to be majority at about 88%. Our exports are about 7% and Southeast Asia locations, which is Indonesia and Vietnam, contribute about 5%. By end market, 2-wheelers and 3-wheelers contribute largest, which is 47%; commercial vehicles 28%; passenger vehicles about 14%; and aftermarket about 11%.

Moving on to Slide #10, which shows the consolidated leverage position for the year:

On the extreme right column, the net worth stands at INR 2,200 crores, but the long-term borrowing has gone up to INR 528 crores. The gross debt stands now at INR 1,344 crores. The net debt is INR 1,250 crores with the capital employed is INR 1,975 crores. The ROCE is 20% and net debt to net worth is 0.6x and net debt to EBITDA, which is including 49% of Flash EBITDA is 1.8x.

Going on to the next slide, which is Slide 11, shows the trend across various key financial metrics for Minda Corporation over the last 5 years, where the consolidated revenue has grown from INR 2,368 crores to INR 5,056 crores. EBITDA margin has gone from 9.2% to consistent and sustainable 11.4%. ROCE has gone from 12% to now 20%. EPS has gone from 2.2x to 10.7x and market capitalization has gone from INR 2,400 crores to about INR 13,000 crores now.

Moving on to the next slide, which is on the ESG and CSR. What I would like to share here is that Minda Corporation has a sustainable and ESG committee form, which is led by our Board of Directors, and we are focused on reducing our carbon footprint by 42% by 2030. We are focusing on sustainable operations, care for people, ethical businesses, inclusive growth and responsible value chain.

In the next slide, it shows a few prestigious awards that we have got from the President of India for our initiatives for people with disabilities.

Moving on to the next slide shows some of the other awards and initiatives in our responsibilities for corporate governance as well as some key awards given to us by our key and important customers in Page #16.

With this, I would like to conclude my presentation and for annexures that are available in Page 18 and 19. I would now request to open the floor for questions. Thank you.

**Moderator:** Thank you very much. The first question is from the line of Raghunandhan from Nuvama Research. Please go ahead.

**Raghunandhan N. L.:** Good evening, sir and thank you for the opportunity. I appreciate promoter family commitment for equity investment at INR 550 per share. Any timeline for this investment that you can share?

**Aakash Minda:** Yes. Hi Raghu. I will request Vinod Raheja to please answer this.

**Vinod Raheja:** Yes. We were required to sort of hold the postal ballot, the voting of which completed by end April. We are expecting the stock exchanges approval within this week, and 25% of the money should be received max within 2 weeks and thereafter, as per the terms, the balance 75% can be paid by the promoters within 18 months.

**Raghunandhan N. L.:** Got it, sir. Thank you for that. On the sunroof plant, is it on track to start operations in Q1 FY26? How much revenue can we expect in FY26? And based on the capacity, what can be the peak revenue?

**Aakash Minda:** So Raghu, the revenues will not be in FY26. As we have committed before, the revenues will be starting from FY27. The plant which is next to our facility in the Pune region is in progress. and since this is a 50-50 joint venture, it will be treated as an associate Company.

**Raghunandhan N. L.:** Got it, sir. For the full year FY25, how much would be your sensors revenue? And also specifically EV parts like charger, converter, how much would be the revenue in FY25? And how do you see the outlook ahead, given the strong order book, which is more skewed towards EV business?

**Aakash Minda:** Yes. So the sensors portfolio for the Spark Minda Corporation is spread across multiple products. Some of them are the legacy and already implemented, some of them are new. But for the current year, our sensors revenue is in the tune of about INR 250 crores to INR 300 crores. This is expected to grow further while we are localizing many sensors in India, and some of the new sensors are also going SOP in the next few quarters to come.

When it comes to the EV penetration of our products, as I mentioned, the overall in Q4, the EV platforms as a percentage of total sales stood at about 8%. For the full year, it is about 7%. And this is expected to grow further while we are launching new products, and our SOP of the new products are happening.

But as I mentioned, Flash Electronics is having now out of their revenue of INR 1,500 crores, they have 23% revenue coming from EV products and EV platforms, which is a 92% jump Y-o-Y.

**Raghunandhan N. L.:** Thanks for that, sir. And on Flash, like Minda and Flash, there is a potential for cross-selling and medium-term potential can be as high as INR 500 crores to INR 600 crores. But in near term, FY26, FY27, how much cross-selling can we expect? Also, there are synergies between Minda and Flash, any status or any plan you can indicate where joint sourcing could lead to cost savings?

**Aakash Minda:** Yes. So the joint synergies in terms of sourcing and other things have already started and, of course, starting from Q1, there will be benefits that can be seen when it comes to the joint sourcing.

Number 2, when it comes to the cross-selling of the products, we have already identified 3 important areas for cross-selling. These products such as die casting or wiring harnesses and electronic components needs end customer approval. So that is already underway and hopefully, by end of the year, we shall have these in SOP. And by FY27, we can see maybe close to a 3-digit number coming into cross-selling.

**Raghunandhan N. L.:** Got it, sir. For Flash, FY25 was a strong year. And how would you look at the expectations for FY26? And Flash had showcased product readiness for motors in PV and CV categories, has there been any order wins, any timeline for SOP there?

**Aakash Minda:** So Raghu, the growth momentum in the revenue of Flash Electronics should be again in the similar range that they have been doing for the last few years. So, again, in the range of midto high double-digit percentage. Of course, it depends on how the EV penetration is. That's one.

Number 2, on the new product development through their tech center and now with Minda, there are multiple products which are being developed across segments. So we are again working with a couple of customers in India, and we have showcased the products. So as and when we move forward, we will update you on winning businesses. But yes, they are under development and already being showcased to the customers.

**Raghunandhan N. L.:** Thank you, sir.

**Moderator:** Thank you, sir. The next question is from the line of Shubham Batra from Ambit AMC. Please go ahead.

**Shubham Bhatra:** Thanks for taking my question. I just wanted to ask that in the die casting business, there is a Y-o-Y degrowth of roughly 40% for the quarter. Any particular reason for that?

**Aakash Minda:** Sorry, can you speak a little louder, please?

**Shubham Bhatra:** Yes, sir. In the die casting business, there is a Y-o-Y degrowth of 40%. Any particular reason for that?

**Aakash Minda:** Sorry, in die casting Y-o-Y for what please?

**Shubham Bhatra:** For the quarter, there's a degrowth in the die casting business revenue.

**Aakash Minda:** No, there is no degrowth, by the way. The Die Casting division has grown Y-o-Y and Q-o-Q basis. So our Die Casting division has overall grown. On a full year basis, the Die Casting division has grown by about 15.5%. And on a quarterly basis, we have grown by again, 15% to 16%.

**Shubham Bhatra:** Okay. Thank you sir.

**Moderator:** The next question is from the line of Mitul Shah from DAM Capital. Please go ahead.

**Mitul Shah:** Thank you for the opportunity and congratulations for strong margins in this tough environment. So first question on utilization. If you can give some ballpark number for both the segments, approx., blended average utilization for Mechatronics division as well as for the Connected System.

**Aakash Minda:** Yes. Hi Mitul, again, it depends on the various segments, various plants, various divisions depending on the products as well. But overall, we, as an organization, are currently working to the tune of about 65% to 80% of utilization. So different segments, different plants will have that variation.

**Mitul Shah:** Second question is, again, a follow-up to Raghu's question on synergy with Flash. Any thought process on joint R&D to develop a completely new product segment or product line itself and in terms of synergy on the R&D side?

**Aakash Minda:** Yes, that work has already started. Our both engineering teams from our technical center and their Poland team have already started coming together to design and develop products. As you know that Flash Electronics is an expert in powertrain-related products and Minda Corporation offer power electronics.

So together, we are developing products for different segments, and they are already underway. So some of them were also showcased in the Bharat Mobility and of course, as we move forward, this is being already showcased individually to customers when they visit our tech center as well as to the customers at their doorsteps.

**Mitul Shah:** Okay. And the last question on this order book. Your initial remark, you highlighted something INR 8,000 crore plus type of. But can you give more details in terms of EV orders and within EV, 2-wheelers mainly or anything on the 4-wheeler side?

**Aakash Minda:** Yes. So EV order books are about 25% of this INR 8,000 crores lifetime. Again, a few of the large orders have come from new segments and new product lines. So, for example, our Wiring Harness division, which did not have a very miniscule exports. Now they have won some good orders for the exports businesses, which will, of course, help the Wiring Harness division as well as the group generating higher exports orders.

When it comes to the other segments, it is spread across product lines and technologies. In the EV area, particularly the orders are from 2-wheelers and 3-wheelers as that penetration is higher. So, of course, when we are developing more products, the complete EVU system will be offered to the passenger vehicle. But Minda Corporation has also won few EV products such as the chargers and other infrastructure-related products from the 4-wheeler manufacturers.

**Mitul Shah:** Within this order book, how much would be export roughly?

**Aakash Minda:** So order book would be about close to 15% would be exports.

**Moderator:** Thank you. The next question is from the line of Dhananjay Mishra from Sunidhi Securities. Please go ahead.

**Dhananjay Mishra:** Yes. Thanks for the opportunity. My question is with respect to Flash Electronics. So we had about INR 20 crores impact of interest, because of this in the quarterly. And on the full year basis, it will be about INR 80 crores. So when we acquired Flash Electronics, you said that because of cross selling and synergy benefit, it will be EPS accretive from FY26 onwards. So how confident are you that it will be EPS accretive?

And secondly, in this quarter also have we included in this joint venture profit number from Flash Electron for 2 months?

**Aakash Minda:** Yes. I will ask Vinod to answer. However, we had said that this will be EPS accretive from FY27 and for the FY25, we have only 75 days of consolidation at the PAT level. So, Vinod, over to you, please.

**Vinod Raheja:** Yes. In the current quarter, we sort of took a share of profits for 75 days. And in the results, you can see that the share of profit of associates number that we have given is INR 10.30 crores versus INR 1.15 crores in the same period last year.

**Dhananjay Mishra:** So what was the contribution from Flash in that, out of INR 10 crores, entirely Flash revenue?

**Vinod Raheja:** Yes. Contribution of Flash for about 75 days was INR 8 crores plus.

**Dhananjay Mishra:** Okay. And this INR 420 crores promoter fund will be coming in over next 18 months. So this will be utilized towards repayment of debt, or it will be again for the new investment?

**Vinod Raheja:** Well, let me put it this way that we have potential norms, various financial metrics that we look at while deciding our capital allocation. So it will be in line with that only is what I can say at the moment.

**Dhananjay Mishra:** And lastly, on the depreciation part, you said that this increase in depreciation, because of some capex we have done in some strategic thing. So can you explain on that sir, and how it will going to contribute in FY26 incremental revenue?

**Vinod Raheja:** Yes. As you would have seen in the presentation that in the course of year, we had 2-3 brownfield expansions, in our Die Casting division, in our sort of Information and Connected Systems division also, and the healthy order book status that we shared of more than INR

8,200 crores, we should start realizing the production from this investment that we made in this year.

**Dhananjay Mishra:** From this year itself.

**Vinod Raheja:** From this year onwards, yes.

**Aakash Minda:** As we have started building capacities for the order books that we have done in the past as well as the order books that are being done in the current year as well. So they will now start helping us in getting economies of scale once the SOP starts in the next few months for the plants that have been showing, and as well as the other investments that are happening. So I cannot give you a number for the FY26 per se, but the order books that have been converted over the last 2 years, they will start coming into SOP from this year onwards.

**Dhananjay Mishra:** Okay. And quarterly run rate for depreciation will be about INR 60 crores going forward, INR 57 crores to INR 60 crores?

**Vinod Raheja:** In the range of about INR 55 crores that we have reported in this quarter.

**Moderator:** Thank you. The next question is from the line of Ronak Mehta from ICICI Securities. Please go ahead.

**Ronak Mehta:** Yes. Thanks for the opportunity. I have a couple of questions. Firstly, what is the progress on the TFT cluster business? If you can just highlight new order wins in this segment? And what could be the growth outlook for this segment over the next couple of years?

**Aakash Minda:** Yes. as you know, that because of the premiumization, more and more TFT clusters penetration is increasing across segments. We have won orders from all segments, customers, including domestic and exports for the TFT. So, again, we have been manufacturing TFT clusters and exporting them for the last 3 years or 4 years and more.

Over the last 1 year, we have won multiple orders from 2-wheelers, 3-wheelers, commercial vehicle as well as passenger vehicle manufacturers. So the penetration is expected to increase in the quarters and years to come. And yes, Minda Corporation is fully ready for our infrastructure capabilities and capacities to cater to this growth.

**Ronak Mehta:** Sure. Any ballpark revenue contribution that you expect over the medium term from this product line?

**Aakash Minda:** So currently about INR 800 crores plus revenue of the Minda Instruments Limited, you can say the digital clusters contribute somewhere about 25% to 30% and, of course, this is expected to grow to somewhere about 40% or so in the next, let's say, 18 months to 24 months.

**Ronak Mehta:** Sure. Okay. All right. My next question is on the capex plan for the standalone business and for the Flash Electronics for next 1 year or 2 years, however you want to guide.

**Aakash Minda:** I will ask Vinod to answer the question, please.

**Vinod Raheja:** As you can see that over the last 2-3 years, our capex has been in the range of about INR 200 crores to INR 300 crores, while this year, we spent about INR 350 crores. Going forward, we see the capex to remain in the range of about INR 250 crores to max INR 350 crores. And as regards the capex in Flash is concerned, again, that should broadly be in the range of INR 50 crores to INR 100 crores only.

**Ronak Mehta:** Okay. And for the standalone business, INR 250 crores to INR 350 crores towards what area? Will it be only towards capacity? How much will be the maintenance capex? If you can just help us with that?

**Vinod Raheja:** Well, in this, say, in the course of next 18 months, we are also talking of 2 greenfield manufacturing facilities, of which one Akash covered in die casting and the other is in information and connected systems. So it includes over the next 18 months, period 2 greenfield. Then, of course, the new businesses that we are winning, capex towards that, and of course, some part of replacement capex.

**Ronak Mehta:** Sure. Okay. And the last question on the debt level. So I can see that closing debt as on 31st March is about INR 1,250 crores. What is the target debt for next year? Yes. That would be the last question.

**Aakash Minda:** So our objective has always been that we want to be in the clear financial prudence matrices that we have put in place. And we are comfortably positioned from that perspective. Yes, while going in the next years, we would like to significantly reduce this. And this is why the warrants from the promoters have also been issued. So, yes, the interest is how we can bring down the 0.5x debt to equity to about 0.2x in the next 2 to 3 years.

**Moderator:** Thank you. We will take our next follow-up question from the line of Raghunandhan from Nuvama Research. Please go ahead.

**Raghunandhan N. L.:** Thank you sir for the opportunity again. Sir, for Q4, if you have it handy, can you share what is the Y-o-Y growth in various segments, vehicle access, wiring harness, die casting, clusters and others?

**Aakash Minda:** Yes. I will explain to you broadly the growth percentages. So our Security division's growth has been in about 11% to 12%. The die casting has grown by about 13%-14%, the wiring harness has grown in single digits. And our Minda Instruments Limited has grown close to 20%. These are again the highest business values per se. Of course, there are small businesses or start-up businesses like the EV businesses and the Starter Motor division, etc. They, of course, have a much higher growth, because their base is also very low.

**Raghunandhan N. L.:** Got it, sir. Thank you very much. On wiring harness, Company has been working towards localization. Recently, you have tied up with Sanco. Can you indicate the progress on localization, and whether you will continue on this effort, and what can be the targets ahead?

**Aakash Minda:** Yes, Raghu. So as you know, that we started this journey about a couple of years ago. And today also, we showed that we have now expanded our facilities, including capacities in engineering as well as operations for higher localization. In that respect itself, currently, our utilization of Minda connectors from our own Wiring Harness division is to the range of about 15%. And for the full year also, we have almost reached the same number.

Now going forward, with our validations from our customers, both in high voltage or EV segment and Low-Voltage segments, this is expected to grow higher. Our target is to reach about 20% to 25% over the next 18 to 24 months. All efforts are in those directions.

From the high-voltage side, we have partnered up with Sanco. And we have also won many orders from our customers for the high-voltage connectors and other products that come from the partnerships such as the bus parts or the charging gun and the power distribution units, etc, which will start coming into SOP in the next few quarters to come.

So, overall, the Wiring Harness division is now giving us a good sustainable growth in terms of the order books that we have explained in terms of exports. Also, the profitability has come to a sustainable and consistent level where we can now look at the growth of this division over the next few years to come, which includes the connection systems, the high voltage and the complete electrical distribution system as a system solution offering to the customers.

**Raghunandhan N. L.:** Thank you, sir, for that. And continuing on the high-voltage side, EV wiring harness or high voltage, how is the traction with customers? How many customers would you be servicing in the EV wiring harness across 2-wheeler, 3-wheeler?

**Aakash Minda:** So I can't give you a number per se. But let me say that we are supplying high-voltage wiring harness to the top 3 EV 2-wheeler manufacturers. We are already supplying them.

In terms of the 3-wheelers also, the largest of all 3 manufacturers of the EV 3-wheelers, we are supplying our high-voltage kits to them. So, yes, we are engaged with them. And, of course, they are all starting up in terms of the scale up in terms of volumes. So, yes, we won businesses from the top OEMs in 2-Wheeler and 3-Wheeler segments. And we are also now engaged with the passenger vehicles OEMs in India and overseas for our high-voltage systems, wiring harness as well as connection systems.

**Raghunandhan N. L.:** And any order wins there, sir, in passenger vehicles?

**Aakash Minda:** I will be able to only share that soon.

**Raghunandhan N. L.:** Got it. Just a clarification on the E2-wheeler, E3-wheeler, when we look at ICE versus EV, fair to assume that you are on path to sustain market share? So because of the technology transition, you will not be impacted. In fact, you will be able to sustain or gain market share?

**Aakash Minda:** Yes, we are on the path to achieve that sustenance as well as I think the higher penetration of the connection systems. I think that's the most important part, because currently, the connection systems are imported. And we are one of the first companies to develop this connection systems of high voltage in India, that capability. So, yes, that's, I think, the first important milestone for us to reach that scale in terms of the high voltage. And the local capabilities of the wiring harness are already existing in Minda Corporation.

**Raghunandhan N. L.:** Just a last question, a housekeeping question. Can you share the contribution of digital clusters in your overall clusters business and smart keys in your locking system?

**Aakash Minda:** So the digital clusters would be to the tune of about 15% to 20% of our instrument cluster business. That is expected to grow higher as we are winning new orders from across segments and domestic and exports. For the smart key systems, our penetration is somewhere about 15% again for the smart key systems in our revenue.

**Moderator:** Thank you. We will take our next follow-up question from the line of Mitul Shah from DAM Capital. Please go ahead.

**Mitul Shah:** Yes, sir. Thank you for the opportunity again. Sir, my question is on order book for Flash, if you can have some broader details if you can share.

**Aakash Minda:** Mitul, with respect to the Flash order book, the only thing I can share at the moment is they are consistently winning orders from their largest customer across their new segments, which are getting launched. Also, they have won recent orders for their exports business from their Metallics division.

And from Minda Corporation side, we have also now started taking other customers of ours, and they have already visited Flash Electronics for audits as well as getting us on the bidders list. So we are on that journey, and those teams have already been formed to take up these next steps. So at the moment, that's where our objective is, and we are running on that.

**Moderator:** Thank you. Ladies and gentlemen, in the interest of time, we will take this as our last question. I now hand the conference over to the management for closing comments.

**Aakash Minda:** So, once again, thank you very much. Minda Corporation, we remain highly confident in our growth trajectory, both in the near term and long term, driven by strategic investments and unwavering commitments to advancing our products and technologies. We are committed to creating value for all of our stakeholders and shareholders.

We are investing deeply in our capabilities in terms of people, capacities, technologies and competencies across fields. And with this, I would like to also welcome the next financial year and looking forward to meeting all of you soon. Thank you very much.

**Moderator:** Thank you. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.