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November 13, 2026

BSE Limited
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Dalal Street,
Mumbai – 400001,
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National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400051, Maharashtra, India

Scrip Code: 517334

Symbol: MOTHERSON

Ref: **Transcript of earning conference call for the second quarter and half year ended September 30, 2026**

Dear Sir (s) / Madam (s),

Pursuant to Regulation 30(6) read with Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of the earnings conference call for the second quarter and half year ended September 30, 2026, for your information and records.

The transcript of earnings call is also available on the Company's website at www.motherson.com.

The above is for your information and records.

Thanking you,

Yours truly,
For Samvardhana Motherson International Limited

ALOK GOEL
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Date: 2026.11.13 16:57:14 +05'30'

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Samvardhana Motherson International Limited

Q2 FY27 Results Conference Call
November 05, 2026

Management:

Mr. Vivek Chaand Sehgal
Chairman

Mr. Laksh Vaaman Sehgal
Director

Mr. Pankaj Mital
Whole-Time Director and President

Mr. Gandharv Tongia
Group Chief Financial Officer

Mr. Rajat Jain
Chief Operating Officer, Vision Systems and Vehicle Systems Business Division

Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY 2027 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 call, please signal an operator by pressing star then zero on your touch-tone phone.

I now hand the conference over to Mr. V.C. Sehgal, Chairman of the company. Thank you, and over to you, Mr. Sehgal.

V.C. Sehgal: Thank you. Good evening, everyone, and thank you for joining us on the Q2 Financial Year 2027 earnings call of SAMIL. We are pleased with SAMIL's performance during the quarter, particularly given the evolving global environment and continued inflationary and commodity-related pressures. Our results demonstrate the resilience of our business and the continued trust of our customers.

Our teams continue to remain focused on operational efficiency and excellence, cost optimization, and automation, helping us navigate higher commodity and other input costs while progressively integrating our newly acquired businesses. Our booked business has reached USD 106 billion and providing strong growth and reflecting the confidence our customers place on Motherson across businesses and geographies.

Looking forward, our priorities remain clear: support our customers, improve the performance of the existing businesses, realize synergies from recent acquisitions, and pursue opportunities that create sustainable long-term value.

With that, I conclude my opening remarks. For in-depth details on the results, I would hand over to Vaaman for a team walkthrough and business insights. Thank you. Over to you, Vaaman.

Laksh Vaaman Sehgal: Thank you, Papa. Good evening, everyone, and thank you for joining us for Q2 FY 2027 earnings call. We are pleased to report our highest-ever quarterly and half-yearly revenues despite a challenging global environment, like Papa said. In Q2 FY 2027, our revenue stood at INR38,280 crores, registering a year-on-year growth of 27% and a sequential increase of 9%. This growth was primarily driven by the integration of Autoelectric and Yutaka Giken, along with robust performance in our wiring harness business.

For the first half of FY 2027, revenues exceeded INR73,500 crores, reflecting a year-on-year growth of 22%. This performance was achieved against a relatively weak global automotive production backdrop. Global light vehicle production declined by 2.3% year-on-year, while China witnessed a decline of 5.5%. North America declined by 3.8%, and Europe just down at -0.6%. India, however, remained a clear bright spot, recording a growth of 15%.

Commercial vehicle production demonstrated greater resilience, increasing by 7.6% globally. North America and India recorded particularly strong growth of 43.6% and 18.9% respectively. We expect this positive momentum in commercial vehicle production to continue in the second half of FY 2027.

Turning to profitability, our EBITDA increased by 23% year-on-year to INR3,353 crores. EBITDA margin stood at 8.8% compared with 9% in Q2 FY 2026, representing a small contraction of approximately 20 basis points, but this was primarily attributable to the integration of the newly acquired businesses, which I mentioned before. This impact was partially mitigated by ongoing cost optimization initiatives, particularly those driven by our modules and polymer division.

In addition to cost optimization, automation continues to be an important lever for strengthening operational resilience and enhancing our productivity. As part of our Vision 2030 strategy, the 1,000-plus automation initiatives which we have kicked off in the group, which brings together physical, digital, and AI-led automation capabilities across the group, with the goal of implementing over 1,000 automation projects by next year.

We have already built a pipeline of approximately 940 projects across our business verticals, covering robots, collaborative robots, and Automated Guided Vehicles, or AGVs, for applications such as assembly, intra-logistics, and end-of-line testing. Importantly, excluding the impact of acquisitions, margins improved both year-on-year and sequentially, supported by ongoing engagement with customers to secure input cost pass-throughs, along with benefits of our operating leverage.

For the first half of FY 2027, EBITDA grew by 25% to INR6,457 crores, outpacing revenue growth. EBITDA margins improved by approximately 20 basis points to 8.8%, despite significant commodity cost inflation.

Moving to the bottom line, these operational improvements and the scale-up across businesses translated into strong profitability growth. Normalized PAT for the quarter stood at INR1,175 crores, representing a year-on-year increase of 37%. For the first half of FY 2027, normalized PAT grew 45% to INR2,207 crores, reflecting the strong underlying performance of the group.

With that, I would like to hand over to Gandharv, our CFO, who will discuss our capital allocation strategy and balance sheet position.

Gandharv Tongia: Thank you, Vaaman. While the automotive industry continues to see subdued growth, we have consistently strengthened our book business. In fiscal 2023, our book business stood at $59 billion. This increased to $96 billion in fiscal 2026 and has now reached an all-time high of $106 billion, despite the challenging industry environment. This represents a CAGR of approximately 13% between FY 2023 and first half of the current financial year, reflecting the continued confidence our customers place in Motherson.

To support our customers and execute our growing order book, we continue to make substantial investment during the quarter. We incurred capex of INR1,971 crores in second quarter of current financial year, taking our first half capex to INR3,585 crores. This is in line with our full year guidance of INR6,000 crores with a range of plus or minus 10%.

Our H1 capex represents approximately 56% of our EBITDA for the first half. Our growth investments, particularly in emerging markets and non-automotive businesses, remain a key priority. Approximately 60% of our guided full year capex is earmarked for non-automotive businesses. This reflects our confidence in the growth potential of these segments and is aimed at supporting their expansion and strengthening our capabilities over the coming years. During the quarter, one of our greenfield facilities, which will manufacture PCBs, became operational.

This facility will provide valuable backward integration for our lighting and vision system businesses. We also announced five additional facility expansion during the quarter, taking the total number of facilities at various stages of development to 17. Of these, 10 are expected to become operational during the current financial year.

Emerging markets continue to be the primary focus of our organic growth strategy, with all of these expansions being undertaken in these markets. Coming to our balance sheet and leverage position, our leverage ratio remained stable at 0.8x despite significant capex investment and the acquisition of Autoelectric and Yutaka Giken. This remains comfortably within our financial policy ceiling of 2.5x and our internal aspiration of maintaining leverage below 1.5x.

Effective net debt increased to INR11,292 crores at the end of September compared with INR9,757 crores at the end of June. The increase was primarily attributable to higher working capital on account of copper price increase, higher capex, and lease liabilities arising from the consolidation of Autoelectric and Yutaka Giken. We continue to maintain ample liquidity and remain comfortable with our overall balance sheet position.

Our commitment to financial discipline and maintaining a robust balance sheet provides us with sufficient headroom to pursue further inorganic growth opportunities. We ended the quarter with strong liquidity of INR1,747 crores and a comfortable debt maturity profile. Having covered our balance sheet position, let me briefly touch upon the broader industry environment. The automotive industry continues to face a challenging time.

Global light vehicle production has declined, led by declines in China, prompting several OEMs to revise their production and business outlooks globally. Our legacy OEM customers are also navigating a difficult phase, and we continue to work closely with them to support their evolving needs. On margins, we continue to face pressure from higher input costs, particularly copper, aluminium, and polymers. While these are largely external factors, our focus remains on what we can control.

Cost optimization, increased automation, and the pass-through of higher input costs to customers are helping us mitigate these pressures. While the automotive industry continues to face headwinds, our non-automotive businesses are witnessing encouraging growth. Our aerospace business registered growth of more than 20% year-on-year during the quarter. We also announced the acquisition of Rotary Connectors during the quarter, further strengthening and broadening our aerospace and defence capabilities.

Our consumer electronics business continues to build strong momentum, delivering robust revenue growth and improved profitability during the year. We have also commenced trial production at our GF3 plant, with commercial production scheduled in fourth quarter of the current financial year. Together, these businesses are contributing to greater diversification of our portfolio and enhancing the overall resilience of the group.

To summarize, we delivered a strong quarter with record revenues, resilient operating performance, and continued investment in future growth, and remain positive about the company's growth prospects.

Thank you. With that, we will now open the floor for questions.

V.C. Sehgal: On a lighter note, what is the Hindi version of $106 billion?

Gandharv Tongia: INR10 lakh crores.

V.C. Sehgal: Well done. Back to you, please.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from Siddhartha Bera from Nomura. Please go ahead.

Siddhartha Bera: Yes. Hi, sir. Thanks for the opportunity, and Diwali wishes to the entire team. Sir, my first question is on the modules and polymer business. You have talked about focusing on various white space geographies and broadening the product portfolio to drive growth, given the weakness in the key markets. Can you share some more color?

What are these initiatives where we can see some offsetting, which can support the growth? Second is, there has been two acquisitions which got integrated in the quarter, both Nexans and Yutaka. If you can share some more color on what was their revenues and margins, and which segments have they been integrated in the current quarter?

Laksh Vaaman Sehgal: Okay, thanks. I will take the first one. Look, on MPP, it is a global product for us. It is one of the very few segments where we are completely open to technology to any customer anywhere in the world. Of course, you are seeing India in a very bright spot, so we are having a lot of growth opportunities for our capabilities of interiors, exteriors, and plastics. In India, also, a lot of new customers are coming in.

We are having success with that as well, with our capabilities that we bring to the premium market. All of those things are doing well. If you look at the flip side as well, Europe also is going through a little bit of a, let us say, a churn, because customers are still deciding whether EV platforms are coming in or not, what are the new platforms that are coming in.

There are also a lot of Chinese cars that are being sold in the market. Volkswagen themselves have come and done announcements, just like the other customers are all talking about these things. We are following their direction. Wherever they tell us that they are increasing demand, that is where we are increasing as well and putting our footprint. Where they are saying they are reducing demand, we, in the same term, have to breathe with the market and reduce.

It is a bit of a mixed bag. I think the growth opportunities are definitely there. There are also some places where we are, just like our customers, also breathing with the market because they are readjusting their product lines that are coming up in the future. But overall, you see that our reorganization initiatives that we have taken are taking effect.

You can see that that is improving our financial strength in those locations, and we continue to have firepower to invest in places that they have growth. It is more of a, I think, continent-wide kind of an approach. But overall, as you can see, there is tremendous amounts of growth.

The customers are supporting us tremendously and wanting us to get into even more products, as there are more issues in the world as well. But MPP continues to remain strong and get leaner, and also focus on where growth is to be able to invest in that. I hope that answers the first question. Is it okay to first move on to the second one for the new acquisitions?

Siddhartha Bera: Yes, sir. Yes, sir, please.

Gandharv Tongia: Yes. Thank you, Siddhartha, for your question, and thank you for your warm Diwali wishes. We heartily reciprocate the same to you and your team. As you are aware, we integrated two new acquisitions in the current quarter. The first one is Autoelectric, which has been integrated in wiring harness business. This is very strategic acquisition for us.

Generally speaking, we didn't have a sizable presence in passenger vehicle wiring harness business outside India, and this particular acquisition is going to give us this opportunity to further penetrate this particular market outside India. The second one is Yutaka Giken. This is a new capability, and therefore, it has been included as sub-vertical within the emerging businesses. Both of these businesses put together, they have ability to give us, to start with, around annual revenue of around $2 billion or thereabout.

That is what we should expect, generally speaking, in the first full year of operations. I am sure, Siddhartha, you will have question on profitability. As of now, it is slightly a shade

lighter than what we enjoy at the group level, and we anticipate in times to come, both of these businesses will have a better profitability once we are able to integrate them fully and are able to get the operational efficiencies as well as integration benefits.

V.C. Sehgal: Pankaj, on another note, I think the acquisition of wiring harness is very exciting because it opens up globally. We can make wiring harness for passenger vehicles, which we were not doing up till now.

Pankaj Mital: That's right. Also, the engineering capabilities as co-designing and designing the products with the customers. That's what, there is a very good team for design at the customer side.

V.C. Sehgal: What passenger vehicle harnesses we are making at the moment? Just an idea.

Pankaj Mital: We are doing all the German car makers. BMW is the biggest customer for Autoelectric. We are doing Daimler as well as Porsche and Audi.

V.C. Sehgal: Thank you.

Siddhartha Bera: Got it, sir. Thanks a lot. I will come back later.

Moderator: Thank you. The next question is from Rishabh Rathi from Goldman Sachs. Please go ahead.

Rishabh Rathi: Good evening, sir, and thank you for taking my questions. I just have two related questions regarding the EBITDA margin. Most of the ancillary which we see has suffered EBITDA margin decline, but both in modules and polymers, as well as wiring harness, adjusting for the new acquisitions, we sort of increased our margins.

I am just trying to understand, has some cost pass-through happened? Is there more cost pass-throughs yet to happen? So, what could we be looking at in terms of margin the second half for both of these businesses as we pass on some of the cost and Autoelectric Nexans gets integrated into wiring harness?

Laksh Vaaman Sehgal: Okay, for the first side, look, we don't really guide on margins. It's a moving target for us. We do have pass-throughs in some commodities, but some others, it also depends on customer, it depends on product, it depends on location. Yes, of course, during the quarter, of course, depending on the contracts with the customers, some things are also resolved. There are some things that are still pending.

There are some implications that have also happened with how price moved up in this quarter and then subsequently came down. All those things are constantly going on. It's not a one-quarter kind of a thing that happens. It'll constantly keep happening, and especially because the volatility is high, so it happens even more.

In the past, it has not been such a big problem because it has been more gradual or moving in a certain direction, and so it's easier to do over a longer period of time. But now with the high volatility, as you can imagine, these conversations are happening a lot more frequently with the customer, and so are the different customers are taking their different positions.

But overall, from the operational side, I can tell you that we have been talking in the last few quarters as well, as how we have reduced footprint because, as in headcount, in the direction of how the volumes have also been reduced. We have also implemented a lot of AI and automation to make our plants completely competitive, and as the demand of the customers are there to the significant cost pressures that are everywhere.

We're also taking those similar steps and using those people where we can for growth and investing over there, and in those places that we are seeing softness because of the numerous challenges that are all over the world, we are able to also, let's say, reduce our weight over there to be able to deal with the fluctuations in the volumes that are happening.

I think that we're seeing some of that result, and that's why we're able to maintain good profitability during these tough times, because we've really been and fully focused on being extremely light in those locations where there are issues.

Rishabh Rathi: Thank you, sir, for that answer. Just one question on the consumer electronics space. Is it fair to assume right now the Greenfield 1 and 2 plant are close to full utilization, and GF3 would come there, start resulting in revenues in fourth quarter? Or any update you can give on where it's standing right now?

Laksh Vaaman Sehgal: Yes, you are very right. One and two is already producing and growing. The GF3, which is the biggest plant that we have, is almost finished and also already running pilots and all those kind of things. We definitely should see in the next couple of quarters, I would say two quarters, it just depends on how. There are, like I said, a lot of challenges still with launching a plant this side, with the logistics coming from all over the world.

But we are sure that we will be able to show you a really good progress in the next two quarters, which is what I have been also saying in the past. Things are on track. Small things which are normal in terms of delays and challenges that I would say obstacles that we need to cross to get it up and running, but nothing that we see as a showstopper.

Rishabh Rathi: Right, sir. Thank you so much. Have a good day.

Moderator: Thank you. The next question is from Jyoti Singh from Haitong. Please go ahead.

Jyoti Singh: Yes, thank you for the opportunity, and congrats on good execution in this quarter. My question is around global lighting side. You mentioned as well, decline during the Q2, particularly in China. How are you assessing demand trend across Europe, North America,

and China for H2 and FY 2028, and which geography are likely to drive incremental growth for this segment?

Another on the wiring harness side that we have a good growth in Q2. How much of this growth is attributable to Autoelectric integration against underlying business momentum? Can this current trajectory we are expecting to sustain next few quarters or a year?

Laksh Vaaman Sehgal: Okay, ma'am. Thank you. A lot of questions there. Look, for the light vehicle production, like you're seeing, it's again a very mixed bag sort of a scenario. India is going through a very bright, positive phase where there is a lot of growth, and we've also talked about how many new plants that we are launching in the region.

They've already launched on the different product side. Some are still launching. I think it's on the presentation as well. What slide is that? I'll just tell you the exact slide for the plant. You can have a look at that. It gives you a really good indication of a lot of orders which we have in hand. 12 is the slide number. You can have a look at that.

It gives you a good idea of that there's a very significant order book, $106 billion, which is a record for Motherson Group. That is also will give you a good indication that it's a mixed bag. Of course, volumes in Europe are contracting. Again, I think it's only a pass-through kind of a phase till the customer product lines all get fixed up as to which other product lines that they want to come into.

U.S. has been strong for us in terms of customer giving us opportunities. Of course, we don't track exactly to the market as well. We have been successful in winning a lot of contracts in that region, and they should come in the next couple of years. Hopefully, we should again see some good growth opportunities for our different product groups over there.

I've already mentioned Europe a bunch of times, so you understand that there is some transition that will happen, but eventually we'll come back to growth as well. Yes, I think that Papa's diversification strategy, which he taught us all, 3CX10, no country, no customer, no component more than 10% of our business, is really helping us to, even during these really challenging times, to continue to show growth.

Because definitely some customer or some product group in some location is growing, and we're able to catch those waves to counterbalance where we see the headwinds coming due to many difficulties, which is not just single pointed. You want to answer the question on the Autoelectric as part of the sales?

Gandharv Tongia: Sure.

Laksh Vaaman Sehgal: Autoelectric.

Gandharv Tongia: This was perhaps one of the better quarters for our wiring harness business. As you would have noticed in the presentation, this particular business grew almost 68%. I think there are two or three drivers for this growth. One is in the American market, commercial vehicle industry grew almost north of 40%, which contributed to this growth.

Second, as Vaaman and Mr. Sehgal mentioned, India continues with its bright phase of growth after GST relaxation, so that also contributed. The third piece is the acquisition of Autoelectric. Broadly speaking, out of the total growth, we can roughly assume one-third came from acquisition and balance came from other reasons.

Jyoti Singh: Okay. Sir, can we expect this current trajectory to sustain, and what is your view for a few quarters or for the year?

Laksh Vaaman Sehgal: Ma'am, I wish we had a crystal ball. We are only following the customers' directives. Again, I think there is always positive. We are very optimistic that in the growth locations, this will continue. So, we are bullish on that, and we are geared up with the capacities as well, as you can see with our new plant footprint and what we have already done.

We are ready for these volumes, and we anticipate these volumes coming. So, we are optimistic, and I think, again, our diversified strategy will really help us to show continued growth, even though, like I said, some segment or some location may face a challenge. But we are so diversified that we should do well to catch the growth tailwind as well.

Jyoti Singh: Sure. Thank you so much.

Moderator: Thank you. Participants who wish to ask questions may press star and one. The next question is from Amyn Pirani from J.P. Morgan. Please go ahead.

Amyn Pirani: Yes. Hi, and thanks for the opportunity. Just going back to the impact of acquisitions, just one clarification. Is the Yutaka Giken also consolidated for the full quarter, or was it just about there for a small? Just trying to get some context on the impact on emerging business revenue growth as well.

Gandharv Tongia: Yep. Thanks, Amyn. Thanks a lot for your question. Yutaka Giken got consolidated for two months in this quarter, and Autoelectric got consolidated for the entire quarter, for all the three months.

Amyn Pirani: Okay. As I was just looking at your segmental numbers, what struck me was that your emerging business EBITDA now on a quarterly basis is hitting INR543 crores, which is actually crossing the vision systems and integrated assemblies and growing faster. Maybe, it is an observation as well as a request. Maybe you need to start breaking that up and providing some more color on a quarterly basis if possible.

It is just a request from our side, because it has become a very sizable EBITDA contributor in a very short period of time, to be fair. Lastly, as I was looking at your new plant list, in the

consumer electronics space, in 4Q, you have the capacity expansion as well as backward integration. Obviously, this new plant will significantly enhance your revenue base.

But can you give us some color as to this backward integration and what impact can it have on the profitability or organic profitability of the business? Because as we understand, last year was the first year you already started making high single-digit EBITDA margins. After the backward integration and the ramp-up, inherently, is this a strong mid-teens, high-teens kind of a EBITDA margin business? Some context would be helpful.

Laksh Vaaman Sehgal: I mean, look, we take your suggestion in a positive way. I think we will look at that after the end of the year and see what is it moving forward, because a lot of these businesses are coming to that size. But we have been giving you indication of that with what we have been investing in and where we are putting it in.

This is really the start of our journey in some of those product groups. The exciting piece is that, look, the strategy has been the same. We have followed the customer's direction, partnered with a capable partner, found global growth opportunities, and then become successful in that product. That is exactly what we are doing in these as well.

As you can see with the aerospace, we partnered with a company in India, then built the trust with the customer, got the global opportunity of acquisition, and now we are really looking to scale that. Similar thing with the consumer electronics business as well. We will give you more. I think a lot of exciting things are in the pipeline.

Like I said, now that we have become entrenched into this business, we are looking at many things that we can do to support our own business. There are more things that we are going to announce at the right time. A lot of things are cooking. I can tell you because we are very conscious of our Vision 2030 target, so that will require a lot of new things as well to come in.

I am very excited to tell you that a lot of these things are moving in the really right direction. I think, again, please give us a couple of quarters. We are also having our Investor Day next year at the 2.5-year mark. I think there are going to be a lot of things that we are going to tell you at the other investor time, because that has given us enough runway from the start of this five-year plan now to really come and tell you where we stack up and where the next couple of years are going to go. That will give you a really good indication for this next 2.5 years moving forward.

We have been doing a lot of the work now, and we are getting into a lot of more components, stuff that we will tell you as soon as that will happen. I can assure you that a lot of this getting deeper into the newer products, getting deeper into the vertical integration, a lot of exciting new products are coming with the new partners and acquisitions and greenfields.

All that is yet to come, and we will show you something, I hope, with all the things going right in the next year, close to that. That kind of detail will only happen at that point.

Amyn Pirani: Thanks for that. Maybe something on the backward integration in consumer electronics, and what kind of a profitability zone can this business potentially be in, say, whenever the full ramp-up happens, wherever?

Laksh Vaaman Sehgal: Look, we stick to the 40% ROCEs, and of course, we are only going to go after businesses where we can see a sight to be able to get those. You cannot get that with the size of scale of executions that we are doing in year one. It does take a five-year plan to get that. But yes, it has got very attractive margins.

It is only going to be accretive to where we are today. We will continue to work to make this only better and not bring it down. At the same time, I think also see that with all the challenges in the world, we are still holding very, very strong in terms of financial performance with all the headwinds.

So also show how much the teams are really working and strengthening this foundation that we have on the automotive side, which is funding basically everything that we are doing in the new business. It is a really great show. The board really congratulated the team to have this kind of a performance with so many headwinds and so many new things that are going on.

I can assure you that we are very focused on making this only better from here and improving on all fronts. I think we have the size and scale now to be able to continuously show that, and that is the endeavour from the team here.

Amyn Pirani: Great. Thanks for that, and all the best.

Moderator: Thank you. The next question is from Raghunandhan from Nuvama Research. Please go ahead.

Raghunandhan: Thank you, sir, for the opportunity. Congratulations on good results and wishing a happy Diwali. Sir, firstly on the emerging business, within that, aerospace is seeing an extremely strong trajectory. Given the strong order book, increasing capacity, and inorganic initiative, do you see the progress happening towards the $1 billion revenue mark before the next Vision 2030?

Laksh Vaaman Sehgal: Absolutely. I think if it is just $1 billion, we will be short of where we want it to be. I hope it is in multiples of that. Again, I do not see any reason why not, because we are performing. There are challenges in that. There are a lot of growth opportunities, and it is a sector which is really growing globally in terms of not just the entire aerospace, so to speak, even space, and there is so much that is happening there.

That should really throw out a lot of opportunities. We have the customers' trust, which is most important, and we are very, very busy executing that. I do not believe that there will be a dearth of opportunities as long as we continue to deliver to the customers' expectations.

Raghunandhan: Thank you for the update. Even organically, it can go towards that $1 billion mark without considering acquisitions, given the strong potential?

Laksh Vaaman Sehgal: That really goes on the definition. I mean, there will be a lot of greenfields that will be required. Greenfields take time for us to do. I think, of course, there will be some inorganic also that needs to come in, but that inorganic will come with organic growth opportunities, which we are taking it for and setting up new facilities. It is really a mix. I cannot say it will be just based on what we have today, because we are already running at such high capacities with all the new plants, and we are thinking of building even more to go after it, which takes time...

V.C. Sehgal: See, Vaaman, the customer is telling us actually what to get...

Laksh Vaaman Sehgal: Yes

V.C. Sehgal: Into the fold as quick as possible.

Laksh Vaaman Sehgal: Yes.

V.C. Sehgal: That means immediate sales?

Laksh Vaaman Sehgal: Yes. Look, there are a lot of things that are in the pipeline. Again, we cannot disclose it till we do not have agreements, but we are very much looking at more acquisition opportunities and customers. It is all customer-led. It is not something that we are not normal way that Motherson does, it is the customers we have. There are many such opportunities that are live right now.

Raghunandhan: Thank you. For Wiring Harness segment, how do you see profitability improving ahead? There has been recently some stabilization in copper prices, and you would also be getting the pass-through of commodity prices. I was asking both from the perspective of SAMIL and the associate company, Motherson Sumi Wiring India Limited.

V.C. Sehgal: Pankaj?

Pankaj Mital: Raghunandhanji, basically, MSWIL has already explained in their commentary and in their discussions with investor relations. At a global level, what Gandharv mentioned is that it is a mix of the acquired entities integration in this quarter, which is having lower margin as it is the first quarter of integration.

We have a good future because we can improve together as it becomes one company, part of Motherson. The other is that you are right, because it is a big if the commodity prices get stabilized because they keep growing quarter-on-quarter, then definitely, yes, there will be a stability. However, we have to look at the numerator-denominator effect when we start looking only as percentages.

The endeavour of all the teams has been to first, of course, care that all the increases which have been there, that how do we take care of them, and despite the inflationary markets, have done phenomenally well.

Pankaj Mital: Also, one thing which is very good is that while in some of the markets, the volumes have grown at a very fast pace, the teams have performed well to not burn themselves out and deliver to the customers flawlessly. That is, again, very good performance.

V.C. Sehgal: Raghunandhanji, appreciate that up till last quarter, means almost 40 years, people have been complaining that we cannot do business on passenger cars outside India. Now, global market is within reach. I sure hope that all of you appreciate that fact. So watch.

Raghunandhan: Yes, sir. I am sure you will repeat the same success everywhere. Thank you. Thank you so much for the thoughts, and best wishes for future. Thank you, sir.

Moderator: Thank you. The next question is from Manpreet Arora from Northern Lights Wealth. Please go ahead.

Manpreet Arora: Yes, thank you. Vaaman, just a quick question on the acquisition strategy. You have previously spoken that we acquire only when our customers tell us about something that is interesting for acquisition, and we don't really go out to chase capabilities. Is that true only on the automotive side or also on the emerging business side?

What I'm trying to understand is, will we, like on the aerospace side, go and acquire capabilities if there is something that's missing, or will the same apply there as well, where we'll wait for...

V.C. Sehgal: I think you're very right. I think you're very right. This is Chaand Sehgal speaking. We will acquire. The customer doesn't come to us and tells us, "Look, this is a good company. Take it over," or something. The customer is 99% in trouble because of that company going into trouble. So, he wants us to take it over.

So, it's a very good circumstance under which we take over this company. You're right that we would, in any of our businesses, anywhere, if the customer tells us to take it over, we don't hesitate. We are absolutely in the game. We will take it over. So, we're known as a not-yet company, which means we'll do anything and everything that the customer is willing to sustain, we're willing to take it over.

Manpreet Arora: Thank you, sir. Just a continuation to that, I wanted to understand the next step, which is the integration. So, let's take the example of Yutaka, which is also in the exhaust system side. Now, will we add that as a global capability after that and maybe bring it to India as well?

V.C. Sehgal: It's already in India.

Manpreet Arora: Okay.

V.C. Sehgal: It's supplying to Indian carmakers. It's already there. It's not just only the exhaust system. Do you know it's also a very big player in two-wheeler? In fact, ABS brakes is now compulsory in all the things, and they make the...

Rajat Jain: The brake discs.

V.C. Sehgal: Why don't you speak louder, Rajat?

Rajat Jain: Besides exhaust, they are also doing brake discs. In India, of course, we are supplying to all the major two-wheelers. In ASEAN, they are in Philippines, they are in Indonesia, in Thailand. Two-wheeler market is a big market for Yutaka.

V.C. Sehgal: That is in millions, right? Probably.

Rajat Jain: In Indonesia, two-wheeler market is 5.5 million vehicles.

V.C. Sehgal: Yes.

Rajat Jain: It is growing. It is growing rapidly in...

V.C. Sehgal: We have taken over the whole of Yutaka. That means even in America, even in Mexico, wherever they are, China also, wherever they are, we are taking from.

Manpreet Arora: Good. Thank you.

V.C. Sehgal: If you have any suggestions, please do tell us. We are always willing to look into it.

Manpreet Arora: The reason I brought up exhaust systems is because it is a fairly concentrated market with only two, three big players. It is a concentrated profit pool. I was wondering if we are going after that market as well. Good to know about that, sir. My next question is on the question to Rajat. It is a continuation of the question I asked in the previous call about the AIS-184, the regulatory tailwinds that we may see on the vision system side.

I just wondered your thoughts, Rajat, on how do you see this whole thing evolving? Because, one, there is some lack of clarity in whether the aftermarket is also a part of this regulation or it is only for the new vehicles. Because if it is aftermarket, then maybe it is a much bigger market for us to serve.

Also, how do you see this playing out in terms of OEMs adoption? Because what we are hearing is that the regulation is not very strict on how it should be implemented. Therefore, there are non-camera ways of doing it also, and some of the OEMs are probably going that route and not using a camera for driver drowsiness monitoring. Just your view on how you think how this whole thing will play out.

Rajat Jain: I think everything you said is right. This is going to evolve. As any other regulation in India, it is introduced, then withdrawn, and then it gradually comes back again. The same thing is also in the ABS in two-wheeler. It came in, and now it will slow down a little bit, but it will eventually come back. So, same is for all of these other ADAS requirements as well. I think it takes time for OEMs to respond.

The regulators perhaps are not taking that aspect into consideration because they are seeing it from the point of view of what is required by the market. But again, there are discussions, deliberations, there are forums where then OEMs are coming together, explaining what is the practical timeline. Then it is fine-tuned. So I would say, we are also part of these deliberations.

You are right, there are workarounds being managed by the OEMs as of now, not to use expensive technologies. But again, you can imagine this is not going to be like this forever. It is going to evolve because they will not really deliver the outcomes which are intended. So they can be there for a short while, but then eventually, more mature technologies will have to be brought into regulation.

That is good for us in the long run, because we are already there, and as you would know that we already invested in a startup in China, Autocruis, which has these technologies on commercial vehicle. So, we already have started building that foundation on which that we can grow as these regulations come in.

Moderator: Thank you. The next question is from Kumar Rakesh from BNP Paribas. Please go ahead.

Kumar Rakesh: Hi, good evening, and thanks for taking my question. My first question was around the capex plan. Can you just update what is the total capex plans for the consumer electronic part of the business?

Gandharv Tongia: I think total is around INR7,500 crores. The two plants are up and running, and as Vaaman mentioned a while back, the fourth plant should be, commercial production should start in the fourth quarter.

Kumar Rakesh: Got it. That would be the biggest plant, I understand.

Gandharv Tongia: Absolutely.

Kumar Rakesh: Yes. The initial plan was for...

V.C. Sehgal: 33 football fields.

Kumar Rakesh: I noticed that. The initial plan was for a capex of INR2,600 crores, I remember. It has tripled since then. Have we increased the target capacity of the plant, or the cost estimates have changed? What is the difference between these two numbers?

Gandharv Tongia: The increase in capacity as well as backward integration. We will go deeper into processes. We are doing a particular type of processes to a particular stage. We will do more, and we will also add more products.

Kumar Rakesh: Got that. Will you be able to give some sense in terms of ramp-up? I remember Vaaman last quarter had said that unlike the auto plant, the ramp-up in this particular case would be faster. Any sense that by when would we expect the full capacity to be up and running?

Laksh Vaaman Sehgal: Yes, by next year. So, like I said, we will kick off in a couple of quarters, and hopefully in two subsequent quarters after that, we should be at full.

Kumar Rakesh: Got that. My final question was around margins in the wiring harness business. Last quarter, we had spoken about that we will start passing on the commodity inflation, the copper price inflation to the customers, and should benefit in margin. I understand in this quarter there is an impact of acquisition as well. But if we adjust for that, will you be able to give some sense how the margin would have performed now that you have started passing on the pressure to the OEMs?

Pankaj Mital: I think what you see is a very good result. As we mentioned always that we work on return on capital employed. This business is very wide, and it is all across the world. So it is not like that one particular aspect can impact something and give a result, because more than 130,000 people are working around the world to produce these parts which get consolidated. So, there are a lot of variables, and at the end of it is what we see the result in this report.

Considering all the issues which have happened in the world, logistic costs, movement of commodity pricing, which have led to child part pricing, everything is all included, and then this result, we believe, is very good. Yet, there is a pass-through of the commodity prices, which has a lag of about three months. In some cases, six, but mostly three.

V.C. Sehgal: Pankaj, 43 years we have tried to explain to our friends, I think we are not good in our explanation, that we are a growth company, not a margin company. Sorry. This is straight to what you are saying, but I was just thinking...

Pankaj Mital: No, because it has many different types of products which we make for agriculture equipment, for commercial vehicles, for passenger-

V.C. Sehgal: Aircraft, trains.

Pankaj Mital: Rolling stock. It is a mix of so many things. It is a huge number of variables which come in together.

Kumar Rakesh: Thank you so much for answering my question, and wish you the best.

Pankaj Mital: Thank you.

Kumar Rakesh: Thank you.

Moderator: Thank you. The next question is from Naman from Sanghi Family Office. Please go ahead.

Naman: Hi. Congrats, team, on a good performance, and very good to see Motherson becoming truly something out of just the auto anc opportunity. Just quickly wanted to gain some sense on the medical device, medical and health application, and what sort of product range are we looking at, if we can talk about it. Also wanted to understand, at last quarter, we had highlighted about humanoid-related order wins. How is it tracking with all the buzz? Just on these two emerging aspects, if you could talk, that would be great.

Laksh Vaaman Sehgal: Sure. So, look, we're very excited about all the emerging businesses. Medical's first plant is already up and running in Chennai. The same strategy what we are doing that was successful for the automotive piece, which was B2B kind of supply to our, the top brands in the world. They are very enthused by seeing Motherson capabilities. The order book is growing gradually, organically.

We've also done an acquisition of a company called Irillic, which is making full devices in the diagnostics place, which is doing well. They're ramping up as well. That gives us, again, a lot more visibility into the market and for the other brands to also know that Motherson is there. The idea is, again, to be the B2B D.E.M.A.L partner for all the top brands. Of course, India is a big market, but not just give them India, be able to supply them globally.

Plastics, electronics, metal, wherever that, again, we have the group strength in. If there are new joint ventures where the customers wants us, we're also exploring those. Like I said, India is a huge potential market. A lot of imports that are currently being done. So, good opportunity for international brands to come in, set up, and also local Indian brands, which we are supporting as well. So, overall, also very exciting.

A bit slower out of the blocks because, as you know, COVID really gave huge boost to this industry, so difficult to penetrate when there was such huge growth. Now only things are a little bit more tapering that we have ability to really push through what we want to do in that division. But equally excited about the possibilities and what's happening over there on the medical division. What was your second question again?

Naman: On the humanoids also, if you could talk about. Right.

Laksh Vaaman Sehgal: Right. Look, again, this is a very, very nascent industry and a start. We do see that robotics and physical AI as a whole is going to have meaningful impact on manufacturing. Not only are we using it, I talked about 1,000 plus automations that we have initiated within the group with all our plants, giving up particular proposals of automations, whether, again, it's not really using humanoids.

But using more cobots, robots, and all sorts of things, which is on the way to using, I think, humanoids. That will still take time. But I think, again, it's very exciting to see that customers are also seeing the capability of engineering of Motherson to be able to get into these new products and grow with them.

The revenue is very, very marginal right now because these are all in concept phase, and nothing that we can, again, report that is hugely substantial. But yes, exciting part of the 106 billion portfolio order book, record of order book that we have. I am sure if we continue to do these things, it will continue to grow.

Naman: Super. Just one follow-up, right? This is onto the auto anc part of it. When we see the integrated assembly, right, could you just give me some direction that at what point the stress in Europe and OEMs could push them to actively move away from their manufacturing and prefer a much more asset-light, like an outsourcing model on an increasing trend? Or is that not the right direction or not the right way to look at it?

Laksh Vaaman Sehgal: No, the customer wants suppliers like us to do more and more of assembly. I think historically, if you understand why the OEMs were doing the manufacturing in the first place was because engine technologies were extremely critical and were the focus of the main IP of the car makers. I am simplifying it a bit, but they wanted to protect that, so they wanted to do that entire assembly in-house. Now that it has reached quite a mature phase...

Naman: Mature.

Laksh Vaaman Sehgal: Of course, going to hybrids and EVs, their batteries are also being imported completely. The complete assembly piece is not as attractive for them as it is for us in Motherson because that is what we do. I think that opens up a lot of opportunities. Again, we can also do multiple different customers, multiple different platforms from one location, which is again something that the OEMs cannot do because they can usually only do one brand or one vehicle type from the plant location.

So the flexibility is lesser than a supplier like us who is supplying to multiple different brands, plants. So it obviously becomes attractive for them to partner with someone reliable to be able to do this for them. We are able to de-risk it by bringing different customers' models into those kind of things, and that is what we are really trying to do.

And again, the whole idea with MSAS was to take a giant leap towards that, and I am very proud to say that I think we have full capability now to assemble full vehicles, and I am sure the day is near where the customer will ask us to do so.

Naman: Okay. Great. Now, congratulations and all the best. Keep executing. Thanks.

Laksh Vaaman Sehgal: Thank you.

Moderator: Thank you very much. We will take that as the last question. I would now like to hand the conference over to Mr. V.C. Sehgal for closing comments.

V.C. Sehgal: Vaaman, what would you want to say to them? Wish them very Happy Diwali and all the best wishes to them and their family, and keep the action going. Motherson is on its way. We are trying to focus on the right things. Please remember, we are not yet a company. Thank you. Thank you all very much.

Laksh Vaaman Sehgal: Thank you so much. Thank you.

V.C. Sehgal: Wish you a very happy Diwali, all of you. Thank you.

Gandharv Tongia: Thank you. Happy Diwali.

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

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