"Hyundai Motor India Limited
Q3 and 9 months FY'25 Earnings Conference Call"

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MODERATOR: **MR. MITUL SHAH – DAM CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 and 9 months FY 2024-25 earnings Conference call of Hyundai Motor India 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 and management remarks. Should you need assistance during this conference, please signal the operator by pressing "*" and then "0" on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mitul Shah from DAM Capital. Thank you, and over to you, sir.

Mitul Shah: Thank you. Good evening and we welcome you all to the Q3 and 9 months FY'25 earnings call from Hyundai Motor India Limited. I am Mitul Shah from DAM Capital. And today, we have with us Mr. Unsoo Kim – MD, Mr. Tarun Garg - Chief Operating Officer, Mr. Wangdo Hur - Chief Financial Officer, Mr. Gopala Krishnan C S - Chief Manufacturing Officer, Mr. Saravanan T - Function Head (Finance), and Mr. K S Hariharan - Head of Investor Relations from Hyundai Motor India Limited.

I would like to inform you that the call is being recorded, and the audio call and the transcript will be available on the Company's website. I would now like to invite Mr. K S Hariharan, Head of Investor Relations from Hyundai Motor India Limited. Over to you, sir.

K S Hariharan: Thanks, Mitul. Good evening everyone and welcome to the Q3 FY'25 earnings call.

Before we begin, I want to remind you of the safe harbor. We may be making some forward-looking statements that have to be understood in conjunction with the uncertainties and the risks that the company faces.

The conference call will begin with a brief presentation by me on our third quarter and 9 months FY'25 results and then remarks by our MD on the performance and outlook, after which we'll be happy to receive your questions.

Let me begin with the key business highlights.

Hyundai has always been at the forefront of automotive innovation, and we are committed to playing a pivotal role in shaping the future of electric mobility in India. Our journey towards electrification is both ambitious and meticulously planned.

During this month, we launched the Creta Electric, our first locally manufactured mass EV and it has been receiving positive response from the market. Designed to combine innovative technology, all-around safety and electrifying performance, Creta Electric is poised to become the go-to electric SUV for the Indian customers.

Despite the challenges faced by the industry, we achieved our highest-ever yearly domestic sales of 605,433 vehicles in calendar year 2024, marking the third consecutive year of this accomplishment.

Hyundai Creta, by achieving the highest ever yearly domestic sales of 186,919 vehicles, continued to strengthen HMIL's position as an SUV leader, helping us accomplish highest-ever domestic SUV contribution of 67.6% in calendar year 2024.

Our rural penetration demonstrated robust growth, reaching 21.2% during the quarter compared to 19.7% in the same period last year. Notably, the SUV segment showed remarkable momentum in rural as well, contributing 67.6% to the total rural sales.

The dual cylinder CNG technology in Nios and Exter continues to elevate our CNG adoption. This advancement has been instrumental in achieving our highest-ever CNG penetration during the quarter, reaching an impressive 15% as compared to 11.9% in the same quarter last year.

We have been actively investing in EV infrastructure to support the expected growth in demand for the electric vehicles. As an ambitious initiative of our commitment to fostering sustainable mobility, we aim to set up nearly 600 fast public EV chargers across the country in the next 7 years.

As part of our dedicated efforts towards localization and introducing locally sourced innovative technologies for the customers, HMIL became the first auto OEM in India to introduce the Made-in-India AGM battery technology in its products.

Moving on to the sales performance for the quarter.

We achieved total sales of 186,408 vehicles in Q3 FY’25 as compared to 190,979 vehicles in the same period last year. Volumes during the quarter were majorly impacted by the macro and global factors.

In the domestic market, despite a challenging demand environment, we were able to effectively sustain our volumes on a year-on-year basis. During the quarter, we sold 146,022 vehicles compared to 147,329 vehicles in the same period last year. The strong festive demand supported our volumes, with October marking the highest-ever Vahan registrations for us.

During the quarter, we exported 40,386 vehicles, as compared to 43,650 vehicles in the same quarter last year. The volumes were mainly impacted by Red Sea and geopolitical challenges, affecting our exports to the Middle East and Latin America regions. However, we were able to minimize the impact to some extent by increasing our exports to other regions like Africa.

In line with the change in customer preferences, HMI is focusing on quality of growth driven by premiumization and SUVization. We keep analysing the market to ensure timely product updates and interventions to keep our model lineup fresh and technologically advanced.

This strategy has helped us and contributed positively to the volumes in the SUV segment and improved our domestic ASP on a year-on-year basis.

We registered record high SUV sales of 100,637 vehicles accounting for nearly 69% of our domestic sales during the quarter.

Hatchback volumes dropped to 19.9%, reflecting the broader industry trend towards SUVs, while Sedans accounted for 11.1% of sales during the quarter.

In line with our ongoing focus on CNG adoption, the dual cylinder technology helped in increasing our CNG penetration to 15% during the quarter, reinforcing our commitment to sustainable mobility.

Let me now share the financial numbers.

For the 9 months of the current financial year, we sold total of 570,402 vehicles as compared to 584,159 vehicles in the same period last year, registering a revenue of ₹512,526 million as against ₹521,579 million in the same period last year.

Despite strong headwinds, we were able to maintain healthy EBITDA and EBIT margins during this period.

EBITDA for 9 months FY'25 was ₹64,211 million as against ₹66,108 million in the same period last year. EBITDA margin was 12.5% as compared to 12.7% in same period last year, while EBIT margin was maintained at similar levels at 9.5%.

PAT for the period stood at ₹40,259 million as against ₹43,829 million in the same period last year. PAT margin was at 7.8% in comparison to 8.2% in 9 months FY'24.

During this period, the macro impact on our operations was well addressed by our cost reduction initiatives and efforts, with the margins mainly impacted due to the change in interest income due to the lower liquidity base.

Let me now share the financial numbers for the quarter:

Our revenue from operations stood at ₹166,480 million in Q3 FY'25 as against ₹168,747 million in the same quarter last year. Favourable product mix contributed to sustain revenues despite enhanced discounts during the quarter.

EBITDA for the quarter stood at ₹18,755 million as compared to ₹21,735 million in Q3 FY'24. EBITDA margin was at 11.3% as compared to 12.9% in Q3 FY'24.

EBIT was ₹13,482 million in Q3 FY'25 as against ₹16,397 million in Q3 FY'24. EBIT margin was 8.1% as against 9.7% in the same quarter last year.

PAT for the quarter was ₹11,607 million as compared to ₹14,252 million in the same quarter last year. The PAT margin was 6.9% as against 8.3% in Q3 of last financial year.

Our Q3 profitability was primarily impacted due to the subdued demand in domestic market and geopolitical challenges. However, with our continued efforts on cost reduction through localization and value engineering, we were able to minimize the impact of macro challenges on our margins.

This concludes my presentation. Thank you for listening. And now, I would like to invite our MD, Mr. Unsoo Kim, for his remarks. Over to you, sir.

Unsoo Kim: Thank you, Hari. Good evening and a very Happy New Year. Welcome to the third quarter earnings call for the financial year 2025.

I hope many of you would have got a chance to witness “Creta Electric” at the Bharat Mobility Global Expo 2025. With its tagline "Electric is now CRETA", Hyundai Creta Electric is ready to push the boundaries of what an electric SUV can offer.

Creta Electric is our first localized electric SUV in India, manufactured at our Chennai plant. With more than 1.1 million Creta customers and the trust it has, we believe no other vehicle than the Creta can pull the masses to begin their EV journey.

It is a perfect combination of bold SUV design, premium upmarket interiors, powerful performance and unparalleled safety. With the addition of this electric powertrain, we now have a Creta for everyone.

We firmly believe that this landmark introduction will open new avenues and mark a significant step towards sustainable mobility for our customers.

Coming to the calendar year 2024 performance, HMIL has managed to sustain sales momentum during the year, despite the strong headwinds faced by the industry at large.

The SUV segment remains a cornerstone of our portfolio, contributing to the highest ever 67.6% to our domestic sales during the year. This strong performance highlights its widespread appeal, with robust penetration across urban as well as rural markets.

Our rural penetration demonstrated robust growth, with SUV segment contributing 66.9% to total rural sales during the year. We remain focused on enhancing our rural presence by actively expanding our network to better serve these markets.

Introduction of the innovative dual cylinder CNG technology resonated well with the buyers, translating to the highest ever CNG contribution of 13.1% during the calendar year 2024.

Our performance in third quarter of financial year 2025 shows a remarkable resilience against the current macro environment.

With a good festive season, we achieved the third highest domestic sales since inception with more than 55,000 units being sold in the month of October 2024.

While the demand was impacted by post-festive slowdown which resulted in increased discounts in the industry, HMIL continued its focus on the “Quality of growth” strategy.

On exports, the Red Sea crisis in Middle East and geopolitical instability in Latin America impacted our volumes during the quarter. To mitigate the risk, we have increased our volumes to other regions, like Africa, supported by additional discounts.

Going forward, we expect stability in our export volumes and with our access to export ecosystem of HMC, we will continue to explore opportunities in other emerging markets and deliver exciting products.

Looking forward, we are confident about our growth trajectory and are committed to drive long-term value for our stakeholders. Building on our strong foundation and focused strategies, we are excited about the opportunities that lie ahead of us.

We have a positive outlook on growing EV penetration in India and are headed towards electrification with a holistic approach.

The positive response our recently launched Creta Electric has garnered from the market is a clear reflection of the trust and confidence our customers place in us. We are confident that it will drive phenomenal success, build strong momentum and will be a game changer in the EV landscape.

With three more EVs planned in due time, we are ready to witness and contribute to India's EV growth story in the coming years.

We are building a strong **EV ecosystem** in India.

Our efforts are deeply in sync with Government's ‘Make-in-India’ drive, and our localization strategy strives to constantly leverage India's rich resources, skilled workforce and advanced engineering prowess to develop world class technology, domestically.

We have been actively investing in charging infrastructure to drive the demand for electric vehicles, by setting up public charging stations in India and are committed to expand this further. Along with offering potential products, we will also focus on localization to ensure cost competitiveness. Commissioning of the HMIL and Mobis India Limited’s battery-pack assembly plant is a key milestone in our localization and EV roadmap.

Going forward, we also aim at localizing other key components like battery cells, drivetrain, power electronics etc., in the near future.

Construction at our Pune plant is advancing rapidly, with operations set to commence by the end of this year. With the phase 1 capacity of 170,000 units in 2025, and another 80,000 units in the coming future, we will scale up our total capacity to an impressive 1.1 million units, reflecting our commitment to meet growing market demands.

Aligned with these aggressive expansion plans, we are equally focused on diversifying our product portfolio. Along with an exciting lineup of EV and ICE models, we will also look to explore opportunities in alternate eco-friendly powertrains. We have access to various HMC global powertrain technologies like hybrids, hydrogen, flex fuel, etc., and are well placed to adapt to any change in demand dynamics and regulatory environment.

This comprehensive approach ensures we cater to the evolving customer preferences and lead the way in sustainable and innovative mobility solutions.

These efforts will position us as a key player in both domestic and export markets, driving growth and innovation.

While the challenges persist in the overall market due to global factors, our business fundamentals remain strong, and we remain confident in our ability to leverage our strengths and actively explore potential opportunities to improve our volumes and profitability.

Lastly, in order to enhance the shareholder returns, we will announce amended dividend payout policy post financial year closing. Thank you for listening.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mitul Shah from DAM Capital.

Mitul Shah: Sir, my first question is on growth outlook for passenger vehicle industry for Q4 and FY'26. As there has been lot of uncertainty recently in terms of huge difference in growth among the players, if you can give more detail on the Q4 particularly and what could be the FY'26 domestic PV industry growth. And at the same time also, we would be happy to understand your market share strategy as our shares have declined marginally in first nine months. So, what strategy will you use to regain it?

Tarun Garg: So, if you see nine months, the TIV has grown by 2.2%. So, we have been maintaining this that after those high growths of 23% and 9% which we all saw post COVID, obviously some kind of a moderation was expected, and this is absolutely in line with this anticipation.

Going forward, there are some positive factors as well. If you see two-three positive factors. One, yesterday RBI infused liquidity. Very clearly this is a precursor to lowering of interest rate because now it is two-three years since the interest rates have been very high. I think lowering of interest rate not only from an automobile point of view but from an overall growth point of view are very-very important. We believe that inflation also has probably peaked out. The monsoons were all over the country, were normal to excess. And we are seeing a positive offshoot on rural. So, there are these three-four factors. One very important factor also is that, after two-three years of very high growth, every company probably was taken by surprise when this kind of a bump happened. So, suddenly people went into a huge negative spiral. You saw huge price cuts by some OEMs, you saw some huge discounts. But now I think sanity is prevailing. By 1st of January, Hyundai took the lead by increasing the price by almost close to 1%. And we can see that many other players have followed. Some of the players have already announced that they were going to do on 1st of February. So, I think in terms of sentiment some kind of a positive thing is happening.

That said, although the exact forecast probably SIAM has announced that 18th of February, we will have a looking ahead conclave and there we will be announcing industry forecast. But it appears broadly when we talk to other players that probably low single digit in '25, considering all the positive as well as challenging factors, appear to be in order.

As far as Hyundai is concerned, some of the levers we are looking at, of course, is electric. As you know that today we have almost 0% market share in electric because Ioniq 5 is in the niche segment. But it has given us a very strong image in the market.

And now that Creta EV has come out with a very strong force, we believe that even if the industry, say from 2.5% reaches say about 3.5% to 4% in '25 or early '26, even if we can target a 10% market share, it will give us 0.3% to 0.4% positive market share in the overall scheme of things, which can take care of some of the, like you mentioned, other competitors who have launched new models in '24. So, that effect can be negated. So, we believe we will be in line with the industry growth going forward in '25.

And then with the Pune plant coming in and our new model cycle married to the Pune plant, like MD mentioned in his opening speech, we are not only looking at launch of ICE models, we are also looking at alternate powertrain opportunity. Of course, we mentioned three more EVs after Creta EV in our prospectus as well. So, I think we can be positive about that going forward. I'll pass it on to Hari to take the answer forward.

K S Hariharan: Hi, Mitul. Hariharan this side. Just to add further to what our COO, Mr. Tarun mentioned, see on the market share as such, we have our clear strategies which has been very positively working for us. For example, one is the premiumization. HMI is always known for the strong premiumization strategy. So, one is on the SUV front, as you can see from the numbers itself, our SUV penetration has been consistently growing.

And second thing is the focus on some of the mid to high end trims. Today, if you see, last year when we launched this dual cylinder technology in two of our models, that has strongly pushed our CNG penetration both in case of Nios and Exter, that is one. And even there are other aspects as well, for example Sunroof, if I can give you some numbers, it was 47% in terms of penetration in Q3 financial year '24. It has gone to 53.5% during the current year same quarter. Similarly, ADAS from 3.4% has gone to 12.9%. Even automatics have also increased by a decent number. So, clearly these strategies are helping us in this tough market environment. And in fact, it has helped us to improve our domestic ASP by more than 2.5% during this period.

So, as our COO, Mr. Tarun mentioned, going forward, this additional capacity we'll be getting from Pune plant, I think that is something a great opportunity for us. Of course, with the model launches we have planned going forward, that is something we are very positive about. So, with our quality of growth strategy, we will continue to explore various opportunities available in the market. And accordingly, we can secure the growth both in terms of volumes as well as the profitability.

Mitul Shah: Yes sir. Just on this new Talegaon plant, as you mentioned, after it becomes operational, what would be export strategy? As domestic growth would be single digits, to make or to reach certain optimum utilization to make it profitable, our export needs to be much higher. So, what would be our strategy there?

Unsoo Kim: This is Unsoo. In terms of export, HMIL is the largest exporter since 1998 cumulative. Also, we have a healthy and balanced mix of domestic and export volume which give us not only good profits but also natural hedge against the market fluctuation and foreign exchanges. As we see the domestic market is increasing and also, we see the export market increase. So, with the expansion of our Pune plant, we will meet both the demand.

During the quarter, the geopolitical issues continued to impact the export volumes. The risk was mitigated to some extent by increasing volume to other region, like Africa. But we have a very unique product portfolio and model mix in the emerging market. We launched a new range of SUV like the Exter and Alcazar facelift last year. And also, HMIL has access to export ecosystem of HMC in more than 80 countries. Also, we are the manufacturing hub for emerging markets. So, going forward, we expect sustainability in the export volume in the near term with demand improvement in the mid to long-term.

Moderator: We have the next question from the line of Kapil Singh from Nomura.

Kapil Singh: I just wanted to ask on the cost items, how are cost items looking for the future in terms of commodity costs, and as well as the fact that we are starting a new plant next year. So how should we think about the impact of that on margin?

Also, these staff costs for the quarter were up significantly. So, if you could give some color there and you know, whether this is a sustainable level or how to think about that?

K S Hariharan: Hi, Kapil. So, your first question on the commodity. See, commodity was more or less stable during this quarter. And second thing on the staff cost which you asked, there was a one-time impact which we have disclosed in the IPO prospectus time itself. This is basically kind of reward which has been announced for all the employees. So, that is reflected in this Q3 period.

And as far as Pune is concerned. We will be starting this Pune facility by end of this calendar year. Of course, all the activities are progressing in a fast pace. As far as margins are concerned, as you know this is a significant capacity we'll be getting. 170,000 is the plan we are having and of course, with all the model launches we have planned going forward, we are very confident that, whatever is the investment we are making into the Pune plant, with our clear strategy, which we are having on the product side, we can secure the margins going forward.

Kapil Singh: Okay. Sure, sir. And just to clarify this one-time staff cost is only in 3Q, or it will come in future quarters or years also?

K S Hariharan: No, this was only in Q3. That's all. This is one-off expenses.

Kapil Singh: Okay, understood. And sir, just on the export side, if you could give some more color, you mentioned that there has been impact of Red Sea crisis. But when we look at some of your competitors, exports have not been impacted that much. So, any comparison you can share like what is the reason that our exports are impacted and if there is any sign of improvement in outlook or any easing of the problems that we are facing?

Tarun Garg: So, Kapil, like we mentioned, look, it also depends on, of course one, which are the markets you are exporting. As you know that Middle East was affected much more. At the same time, like we mentioned earlier, that new model cycle is going to come. For example, Exter left hand drive could be a big opportunity for us going forward. So, I think, we just have to be a little bit patient. And you can see, in fact, the cycle turning already, probably from Q4 of this financial. And then going forward, we believe that the effect which we suffered probably is now being mitigated to a large extent. And going forward, of course new models will throw up more opportunities. We are looking at EVs export as well. And of course, Hari, will take it forward from here. Yes, Hari?

K S Hariharan: Yes, Kapil. So, again on the export side I think, you know that right from the time we started our operations in India, we've been strongly focusing on the export front. So of course, the current decline, whatever we are seeing, it is more to do with the geopolitical issues like the Red Sea and the issues which we are seeing in Latin America. But on the demand side, it is very much stable. We don't see any problem on that front. And on the operational side as well, we are kind of adjusting our planning and operations. So, we see more of stability coming from the export side going forward. And as our COO mentioned as well, we have launched even during last year some of the products in the overseas market like Creta, we have launched Alcazar, we have launched even Exter in South Africa. We have been getting very, very positive response from the overseas market.

So, going forward also we will look for lot of opportunities, because today we are the production hub for emerging markets like Latin America, Middle East, Africa. But we will look for opportunities in other emerging markets as well, even on the EV side, we are evaluating on the export possibilities, even to start with Creta Electric. So, I think going forward there are a lot of opportunities we see with the Pune plant coming in, that is something real positive thing for us. We will be in a position to leverage the various opportunities lying ahead of us.

Kapil Singh: Thank you and best wishes.

Moderator: Thank you. We have the next question from the line of Amyn Pirani from JP Morgan. Please go ahead.

Amyn Pirani: Yes, hi and thanks for the opportunity. Just continuing on the export aspect. I think in the initial remarks there was one comment that to offset the Middle East and Latin America weakness, we have increased exports into Africa and maybe that has led to some increased discounts and ASP issues. So, broadly can you just help clarify whether Africa is generally a lower ASP and lower margin geography and that has, maybe, impacted our overall profitability?

K S Hariharan: Yes, Amyn, Hariharan here. See, as we mentioned, the increased level of discount is something which we have to do because Africa is a region where we had actually increased our volumes more than the original plan. And of course, when we have to push for some extra volumes, we need to give some additional price support. That is one.

And second is that even from the product perspective, for example, when we export some product, we need to make some adjustments also to meet their requirement. So that is something as an additional factor which we need to take care because for example, when we export Exter as a model, we need to make some adjustments to meet their requirements. Obviously, we need to support with some additional price incentives.

But that said again, as I mentioned, on the demand side overall for export, it is very much intact. Going forward, we expect stability. We are looking for various opportunities on the export side to increase the volumes. Especially with the Pune capacity, as we mentioned, I think we are very positive about it going forward on the export side as well.

Amyn Pirani: And just on the Creta Electric as an export opportunity. Again, just want to understand, is the Creta Electric exclusively made in India or is it made in other geographies also?

Unsoo Kim: This is Unsoo. Creta Electric is unique for our Chennai plant. We are basically targeting for domestic, but we are exporting to neighbouring country first. And then, if possible, with some emerging market infrastructure or government policy if favourable to us, we will export Creta Electric too.

Amyn Pirani: Okay. That's good to know. And just lastly if I can squeeze in one more question. On the domestic side in terms of model launches, I know you cannot go into specifics, but we've already seen the Creta Electric in calendar'25. Is there a broad number of launches that is ICE plus EV that we can expect for the remainder of the year? If you can give some broad indication?

Tarun Garg: I think we need to be patient. We will, at the right time maybe, give this information. So, my request is that please be patient. We will be announcing. MD already mentioned along with the Pune plant, you will see a lot of launches. But how many in calendar '25? How many in '26? Please wait for the right time. I think we will be announcing.

Amyn Pirani: Sure. Thank you so much. I'll come back in the queue.

Moderator: Thank you. We have the next question from the line of Jinesh Gandhi from Ambit Capital. Please go ahead.

Jinesh Gandhi: What was the impact in staff cost in this quarter and how much were discounts in this quarter?

K S Hariharan: See, on a year-on-year basis, the staff cost has increased by about 0.6% on the revenue. That is one. And as far as discount is concerned, there was some discount, as we have mentioned, because of the volumes we need to increase to Africa region. So, there was some increased level of discounts on the export side and domestic side also there has been some increase in the discounts on a sequential basis. That is most to do in line with the industry scenario. But still our discounting was very much below the industry average as far as domestic is concerned.

Jinesh Gandhi: Yes. I mean 2Q was 1.9% of sales was discount. 3Q would be 2.5~3%, any indication?

K S Hariharan: So, as a percentage on ASP for domestic, the discount was 2.6%.

Jinesh Gandhi: 2.6%. Got it. And royalty would be stable Q-o-Q at 2.6%, or that had also gone up?

K S Hariharan: Royalty was almost similar to the Q2 level. During this Q3, it was 2.7% on the revenue.

Jinesh Gandhi: Got it. And lastly, any comment on Creta EV, given that it's almost 10 days since we launched, how is the response of any booking numbers which you can talk about?

Tarun Garg: Yes. So, Creta EV response is good. It's too early to talk about but what we feel is that broadly what we had announced in the Bharat Mobility was that we believe that 10% of the Creta volumes could come from Creta EV. Going forward, I think we should be in line with that broad number going forward and that will help us as a lever for our market share as well as for volume.

Jinesh Gandhi: Got it. Great. Thanks, and all the best.

Moderator: Thank you. The next question is from the line of Gunjan from Bank of America. Please go ahead.

Gunjan: Yes, hi, thanks for taking my questions. I just had a quick follow up on prior questions. Just, firstly on Exports. Could you give us some sense on what is the geo-mix in this year fiscal 25, particularly I'm interested to know how big is Middle East for us and again Africa, where has it gotten to?And on the exports again like you mentioned for domestic expecting a low single digit growth for industry, market share should be stable. If I were to think of exports, do you think in fiscal '26 the growth can be better than this low single digit that we're seeing in domestic or it's going to be pretty much in the same zone?

K S Hariharan: Hi, Gunjan. See, as far as the geo mix is concerned during this quarter, yes, Middle East was impacted. So, there was a drop of about nearly 10% for Middle East volumes. On the other hand, because, as we mentioned, Africa we are focused. We have seen a growth of nearly 15% in Africa as far as volumes are concerned.

Tarun Garg: He's talking about contribution. He's not talking about volume.

K S Hariharan: Yes. That is on the overall contribution.

Gunjan: Yes. How big is Middle East? Is it 15%, 20% of your overall export volumes?

K S Hariharan: The Middle East would be around roughly 37% during Q3 of this year and Africa would be close to 28%.

Gunjan: Okay. Got it. And anything on the outlook for exports for next fiscal? I mean I get that it can be a very big growth driver from a mid-term perspective but more trying to get sense on next 12, 18 months?

Tarun Garg: Look very difficult to give an outlook but I can only say that things look positive. And Pune plant with the end of this year coming in, like I mentioned, along with domestic we have those opportunities in export. For example, you mentioned 12 to 18 months. Definitely, before 18 months, Exter left hand drive will be up and running. That should be a big driver. We are expecting stability in other markets as well. So, very difficult to give whether it will be 10% or 8%. I can only say probably it appears that the worst is behind us, and we should be able to get into a growth cycle in exports. So, we will definitely, I mean definitely we cannot say, but we will have a growth in calendar year '25 over calendar year '24, at least in the business plan. That is what we are aiming at.

Gunjan: Okay, no, that's good to hear and quite helpful. My second question again a little bit of bookkeeping is on the Tamil Nadu Government State incentive that we get. If you can just share what is the magnitude and how does it get accounted, if you can give some color on that?

K S Hariharan: So, yes, Tamil Nadu incentive for us, normally every financial year, more or less it starts from the Q3 onwards. So, roughly we can say, on a monthly basis it would be roughly around ₹30 crores kind of a range. So even this quarter we had, all the full 3 months impact. It has been reflected in our Q3 P&L as well.

Gunjan: So, this will be part of operating income roughly around ₹90 crores in Q3?

K S Hariharan: Yes, this is part of the other operating revenue. That is how we are showing in the P&L.

Gunjan: And similar should be magnitude next quarter?

K S Hariharan: See more or less, it follows a trend basically. Obviously, there can be some impact because of the product mix and other things. But more or less it follows a similar trend and Q3, as to be precise, the amount was ₹101 crores. That was the impact reflected in the P&L.

Gunjan: Okay, got it. Thank you so much. I'll join back the queue.

Moderator: Thank you. Ladies and gentlemen. We will take that as a last question for today. I would now like to hand the conference over to Mitul Shah for closing remarks. Over to you, sir.

Mitul Shah: Thank you. Ladies and gentlemen, that was the last question for today. With this we conclude today's conference call. On behalf of Hyundai Motor India Limited, we thank you for joining us and you may now disconnect your lines.

Moderator: Thank you. Ladies and gentlemen, we now conclude this conference. Thank you once again for joining the Hyundai Motor India Limited Conference Call. You may disconnect your lines.

Note: Edited for brevity and inadvertent errors.