AIMTRON ELECTRONICS LIMITED

H2 & FY24

POST EARNINGS CONFERENCE CALL

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Management Team

Mr. Mukesh Vasani - Chairman (Promoter)
Mr. Nirmal Vasani - Sr Technology Director (Promoter)
Ms. Nikita Shah - Chief Financial Officer
and Other Management Team

Call Coordinator

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Presentation

Vinay Pandit: Good evening, Ladies and gentlemen. I welcome you all to the H2 and FY24 Post Earnings Conference Call of Aimtron Electronics Limited.

Today on the call from the management we have with us Mr. Mukesh Vasani, Promoter and Chairman; Mr. Nirmal Vasani, Promoter and Senior Technology Director, Ms. Nikita Shah, Chief Financial Officer and the management team.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to quickly run us through the investor presentation of the company, briefing us about the business and performance highlights for the year that went by, the growth plans, and the vision for the coming year. Post which we will open the floor for Q&A. Over to you, sir.

Mukesh Vasani: Good evening, Vinayji and good evening all the friends. This is Mukesh Vasani. I'm going to start the presentation now. I know we may have questions later, but I'm going to give you very quick overview about company. You see the disclaimer here. We will go through a little bit today company overview, business profile, industry outlook, and way forward with financial metrics.

In a company overview, if you maybe heard about this a little bit, that we work on PC board assembly, including full design, engineering, and end-to-end solution in a various sector like automotive, industrial, gaming, IoT, robotic, AI, medical, and defence and other areas.

Our goal is to diversify our portfolio in a such a manner so any sector goes up or down does not affect our overall revenue stream. So that is the reason we have very varieties of customer base in our portfolios.

Go to next please on this one. You can see, myself here and Nirmal here. We both are promoting this company, and we have a full team in India managing this whole infrastructure.

If you look at it here in our progression, we started this company in 19th April, 2011. And then fast forward for first three years, we worked as an ODM company and worked as a kind of just their need in their premises. And then we moved out from there in 2014, and we

did an opening ceremony with Karnataka Governor, Shri. Vajubhai Vala and then we started our journey.

2014 to 2018, we accomplished ₹20 crore of turnover. And, if you look at that in 2020, we start winning the award, and '21 we crossed ₹50 crore. Also in '21, we opened a facility in Whitefield, Dr. Ashwathnarayan came to an opening ceremony, and we started with ISO standard focusing on high-tech medical clientele base over there.

On the '22, we also started automotive standards and other standards. And in '23, we opened two city offices, one in Vadodara City and one in Ahmedabad for more engineering support, you know that's why we started a city office. And you all know that in 2024, we accomplished a huge milestone and we got a public listed.

If you look at the business profile here, I'm moving to section two. In a business profile, as I said we are unique. A kind of a comprehensive ESDM solution we are providing to our customers. So we do PC board design. We do assembly. We do full electronic system manufacturing, box build, and we also cater across the globe. And the customised solution, we work with the customer, and we go latest and greatest technology, like microelectronics assembly or IoT machine learning and end-to-end support. So we're going to have couple more slides on this sector. So I'm not going to take too much of your time over here.

And, moving forward that next slide on this one. You can see at the bottom also what we catering right now. On the manufacturing facility wise, we have two manufacturing facility, both are state-of-the-art. In our Vadodara facility, we have a three SMT lines, and there's one more SMT line is coming, is already installing on quarter two. And then in Bangalore, we cater this kind of a clean room facility. It's not a clean room yet, but that is our goal for that facility to have a clean room facility for high tech life threatening devices or for like a government secure project. So that kind of facility we create in Bangalore. So we have currently two facilities, and we have two city offices, one in Ahmedabad and one in Baroda.

All the facilities, we have all kind of infrastructure certification. Let's see IATF, we have for Vadodara facility, which provides all automotive and ISO standard is already there 9001. And we have a medical standard for both facilities 13485. So and we also very much focus in environmental and safety and also ISO 14000. So we have

complete certification in all the facilities, whatever needed for current project.

If you look at here is there is a more in-depth four plus one, five SMT lines we have, four already installed, and fifth one is coming which is part of our RHP. 37 thru-hole setup lines and three full box build assembly lines, two we have here in Vadodara, and one we have in Bangalore. So you can see more in that. On the manufacturing capability wise, I would like to have -- I think that's right now, I'm going to stop here and have other Aimtron team members start taking the lead.

So manufacturing capability wise, maybe Nirmal Vasani, you can take the lead if possible.

Nirmal Vasani: Absolutely. Hello, everybody. For manufacturing capabilities, Aimtron has always strived to become a full service end-to-end one-stop solution for the market, and that includes everything from product design, having turnkey manufacturing capabilities, then converting that into electromechanical high level assemblies. Within those capabilities, we do SMT thru-hole, any sort of electronics testing, and any sort of customisations and custom fabs, including cables and harnesses as well.

In terms of our process, everything starts with material. So we start with the raw material sourcing. From there, once everything is kitted, we go into printing, and then we go into a 3D solder paste inspection, that's what SPI stands for. After that, the pick and place machines will place the SMT components, and the reflow will bake the components into the board. After that, we have wave and selective soldering for thru-hole components. Then we'll do any sort of insertion tasks or manual soldering that's related to that.

And from, reflow, we go into 3D AOI followed by X-ray, and then we go into the back end assembly which including wave soldering and insertion, if manual soldering is required that will be done at that time. After that, we do cleaning and washing and any sort of ultrasonic welding if necessary. And after that, it goes into our testing and quality assurance processes. From there, if box build is a part of the build, it will happen then.

From prototyping, all the way through to the end product, we can actually start from the concept stage, have the PCB design, do the assembly, take care of the cabling, take care of all of the mechanical

components, including sheet metal plastics, any sort of magnetics or machining. And then once the system is fully integrated, we can do functional testing, and then the box build is complete. And so then the task moves on to us doing the logistics, any sort of repair reverse logistics as needed. And then for the second stage, we'll go back and redesign and do an analytics for improvement further. Next slide.

Mukesh Vasani: Thank you, Nirmal. Maybe I have our Director of Sales, Mr. Sneh Shah. He's available also. Maybe, Sneh Shah, can you take this couple of slides?

Sneh Shah: Sure. Thanks Mukesh and Nirmal for the brief. Hello, everyone. So product portfolio, I think to what Mukesh and Nirmal stated. So it's a complete system integration. We call that as an EMS or ESDM. That is like electronic system design and manufacturing. So just an example, say if anyone comes with a concept, we help them to design. If design is ready, we take it to the prototype. Prototyping to production, till I deliver support. And production also like for manufacturing complete system integration to what you see first one. That is Box Build Assembly. So no doubt PCBA or PCB assembly remains our core competency where we are making 100 and 1000s of boards a month.

But over and above that, in case if you have like a completely like injection moulding, sheet metal dye casting, cable assembly, or whatever it would be. So we can help you to provide a complete one-stop solution, where like, in case if you're looking out for some testing for product reliability testing, like EMI, EMC, UL, CE, where we are in global market. So these kind of certifications are also required. So we do have that design. We do have that capability team, design team who can help us to get that kind of service as well.

So in short, anything and everything, like in terms of electronics to complete the system integration, we can help them to provide everything. So first one is, yeah, so if we go in-depth, if we talk about product engineering, so in case whether it's hardware, hardware design, specific to embedded, whether it's firmware, whether it's mechanical. Sometimes what happens is, some of the value-added engineering services like DFM. So once the design is ready and before we take it to the prototype, just to ensure that manufacturing defects or something doesn't happen. So we do have one software called Vayo where like we get things done.

So specific to that, we have manufacturing engineering team as well to add the value-added manufacturing services. So we have softwares like Altium, SolidWorks, specific to hardware, specific to mechanical. And again, as we stated, like any pre-compliance certifications like for example, if in anything in we need to sell it in Europe, we need CESL certification. Anything for medical, we need UL or we need FDA or something kind of. So we do have the capabilities where QMS team is available to help us for regulatory compliances, anything for quality engineering, like end-to-end solutions. If any of the part is going to get obsolete, we can help them to provide alternative for that.

We have a component library of 700,000 plus components. And, to what machineries that we have, they are state-of-the-art Japanese machinery latest available in the market. So smallest component like O201, which is considered to be the smallest as of now in today's world. Where to what next coming up, a small part also we will be able to place it. So to what new machines are coming up. So that level of capabilities we have in terms of AOI, SPI to what Nirmal stated. All of the machines are 3D where like you can see in all the six direction. And again, they are latest available in the market.

If you talk about sectors to what Mukesh stated, like we don't put all our eggs in one basket. So we have my radar sectors that we solve. So first, we want to talk about automotive. There are different kind of like boards that we do, completes a couple of systems because as of now, a couple of technologies are trending like, EV as of now is trending available in the market. So we eye on such kind of niche market segment, not only India, but across the globe.

But telematics or onboard chargers, specifically anything for BMS, whether it's automotive or telecom, any of the BMS management, like battery management system, we have them to do. Industrial, remains our core competency again, where like any IoT 4.0, to what industry 4.0 people are talking about. So first device you see monitoring system. So customer came with the concept. We completely designed it. And as of now, it's in a production phase. So it is even helping customer to reduce their maintenance time and couple of added advantage on top of it.

Gaming sector, as of now in India, there are very less players, and we are the one who are already doing into that digital cube, that are being sold to U.S. market. Slot machines, again, a couple of machines that are being used for casino or something. Pinball, like complete pinball machines like have a couple of mechanical stuff that we do, and

controller for remote control and all that. Again, that is where somewhat a niche market segment that we are already in.

As of now, people are talking about AI, robotics, ML, and we already have chimed into that sector. You already have might have seen the press release. As of now, we already cracked one deal for specific to IoT device, a couple of million dollars. Again, that has been useful to track the fleets of logistics department.

Drone, as we again stated in like press release. So drone, we signed couple of like agreements with one of the international player where we are down the line. As of now, we are focusing on their plastic parts and all. But down the line, we might encounter for a PCB as well. So PCB has couple of other players we are already in, like couple of players in the India market along with a couple of other market as well. And to what medical and health care equipment, we do have ISO 13485 specific to that.

So air quality monitoring device, couple of ventilator, critical equipment makers, we are already there. And power sector, yes, remains like the relays power, power board, what is regulator relays. So we saw just the glimpse of what sectors that are divided into. And it's just a glimpse of that we don't put all our eggs in one basket. So in case of anything, in global market, we can chime into the latest available technologies, and that is what we are into.

Mukesh Vasani: Thank you, Sneh. I think, we have a lot of questions about this. So, definitely, we're going to go revisit this. Maybe, you want to take one more slide, and then I'm going to hand over to Nirmal.

Sneh Shah: Sure. I think defence, we are trying to enter into that domain. So defence soon guys, it's already on radar for us. Yes, if you talk about specific to AVR like robotics in terms of drone, we are there. But any other defence because as of now, the defence market is booming up in India to what Make in India, Made in India is there. So we are trying to add that.

Health care, as we stated, we are eyeing on one more step ahead that as of now, under Made in India, government has made CDSCO compulsory and mandatory. So we might undergo that as well in near future because a couple of our players are exploring that direction.

Consumer, as we stated, not specific to like consumer electronics, but again something related to technology where like AI or ML is

affiliated. As of now, a lot of or most of the products people are eyeing at getting things in the automated way. So that is where AI and ML and IoTs in the future, and that is where Aimtron states into. Because to what we are in, we have the state-of-the-art machinery, state-of-the-art facilities and to what we focus is on quality or niche market segments. So that is what like the segments are all in.

Mukesh Vasani: Thank you, Sneh. Nirmal, if you can take this couple slides here.

Nirmal Vasani: Yes. In terms of competitive strengths, our biggest one is that our product portfolio is continuously advancing. It's continuously expanding into not just each industry, but also that portfolio is expanding with applications across multiple different industries. So this diversifies our industry classification. And what that diversification does is it allows us to mitigate risks and mitigate vulnerabilities when certain verticals are experiencing challenges or economic downturns. Aside from this, we also have very complex product manufacturing expertise that a lot of our competitors at the entry level may not be able to meet with.

At a comprehensive level, we also have strong in-house capabilities for both design and manufacturing, which gives us an understanding of how to develop in a way that makes it more successful manufacturing experience. We also have very strong long-term, well established customer relationships as well as a lot of product variety within those relationships, which means that as shipment volumes increase, it's an exponential increase.

Our strong supply chain, our strong sourcing network spans multiple sources across Asia and the USA, as well as Europe as well. And going through, we also have very strong quality assurance processes, very strong testing processes, and a very experienced management which is also highly motivated and young in thought process while wise in age.

Mukesh Vasani: Thank you, Nirmal. I think a lot of investor friends had questions. What is your differentiator? So that will help us to understand. I'm going to get one more slide. Maybe you can take this.

Nirmal Vasani: Absolutely. So every company within our industry, every service provider of our nature faces the same weaknesses of having dependency on key suppliers for critical components and having vulnerabilities due to market fluctuations in any sector that they are concentrated in. And so to mitigate those weaknesses, we have the

strengths of having very, very strong manufacturing capabilities as well as very, very diverse customer bases, which give us some shielding from the market fluctuations and provide us a safety net in that regard.

And then the focus on research and development allows us to mitigate our dependency on critical components as now we can develop secondary options, tertiary options for anything we previously may not have found a solution for. Alongside of that, we pride ourselves on a very strong commitment to high quality standards and certifications. In terms of threats, the ones that we face at the most right now include having an intense amount of competition from global and local electronics manufacturers as well as having supply chain disruptions, and compliance with regulatory standards that are dynamic.

But the opportunities that this evolves is because these supply chains are being disrupted across the industry, we also have an opportunity to emerge into those markets and take opportunities where other companies cannot. We could also integrate IoT, AI, and we have very strong automation technologies that we are already capitalising on and in the process of capitalising on further, as well as strong opportunities in terms of government incentives for electronics manufacturing.

Mukesh Vasani: Thank you, Nirmal. Thank you all. I think American quality on Indian soil, that's our slogan, and that is the main strength we have. I'm going to go a couple more slides, and then we can open for the question-and-answer. I'm not spending too much time on this. You've been reading every day. How is the whole ESDM sector is going on and what is plus and minus, market growth, demands, investments, and infrastructures. So you see the government initiatives, PLIs, and all kind of schemes they have including the technological advancement.

So with this government also, we are getting a lot of support. So and I think this is something, we are knowing, so I'm not going to spend too much time on this one. But definitely, we can take it more on question-and-answer if needed. But in short, if you look at that in 2026, government wants to get electronics portfolio about $300 billion. That's a huge portfolio. And there is so much opportunity and so much expansion required for EMS. Current EMS is not even capable to handle the workload we have. I think that's what I heard, from one of the friend that railway has too much work. Right now, they could not find even enough suppliers. They are mentoring suppliers also. So that is the scenario right now in our industry insights. So I'm not taking too much of your time on this. But if you

look at the CAGR data and all other data is published by the government.

There's so many initiatives. We are for Make in India initiatives. We are taking benefits from Gujarat government also, subsidies benefits and all these things. And we will be now just gearing up in Indian system now. We never thought this about 10 years ago or five years ago that soon we're going to go on the public. But last year, we decided and we moved and jumped on. So you'll see a lot of ways of you can see something. That's a question came out a lot of time why this, why that? But that is the reason also. We just prepare everything very quickly.

On the way forward, I think we did discuss lots. I'm not going to go too much, but diversified industry's focus. So we're going to get that Nirmal already catch up on this. So our goal is to focus on various industries. Also geographical expansions, operational excellence, backward integration and expansions. We have a lot of thought process. It's too early to say everything right now, but we do have a maybe Sneh you want to add or Nirmal you want to jump onto this because that might be a lot of question on this one. But you guys can be, so we have a -- I know this company is also in teenage, correct? 11, how many years? 13 years? 14 years? So we are in teenage. So we have a lot of young people on this one. So maybe Nirmal and Sneh, you can take it on this. Sneh, you take first?

Sneh Shah: No, certainly, I think immense opportunity lies into India to work. As of now, everyone is eyeing that. So not only specific to electronics, so not only specific to EMS, but complete electronics as a system. So I think, no doubt there are a couple of companies, but we also are going to pay a vital role and we are just trying to see on how can we contribute more on each and every segment from diversification to geographical expansion to backward integration and expansion as well. So it can be both backward as well as forward integration down the line.

Mukesh Vasani: Thank you. I think we would like to go more on question-and-answer. So I really appreciate everybody. I'm going to go more I don't know. Your excitement is right here because you want to see the financial numbers. And, Nikita, maybe Nikitaji please talk on the numbers .

Nikita Shah: Hello, everyone. Very good evening. Today, we are here to give a glance for the financial updates of the company for financial year '24.

The revenue for the financial year '24 stood at ₹929.80 million increased by 29.09% year-on-year.

The EBITDA for the financial year '24 stood at ₹236.30 million increased by 42.60% year-on-year. The EBITDA margin for the financial year '24 stood at 25.40% increased by 226 bps year-on-year.

The PAT for the financial year '24 stood at ₹136 million increased by 57.50% year-on-year. PAT margin for the financial year '24 stood at 14.60% increased by 257 bps year-on-year.

The return ratios on equity was 26.30%. The return ratio on capital employed was 31.40%.

Now looking at the segment wise revenue industry, geography and service wise for the financial year '24. The total revenue for the financial year '24 stood at $929.80 million. Top three industry wise sector, we have played major role in the industrial by 36%; in gaming by 20.90%; in automotive by 13.40%. Top three geographical, our highest sale geography wise in USA was by 44.80%, the second highest is India by 26.20%, and the third highest is U.K. by 11.80%. The top three service sector major services provided were in PCBA by 70.60% of total revenue, in Box Build by 24%, and in end-to-end solutions by 5.4%.

Now looking at the income statement, EBITDA margin in financial year '23 was 23.15% and increased in financial year '24 by 25.4%. PAT margin in financial year '23 was 12.1% and increased in financial year '24 to 14.60%. EPS in financial year '23 was 10.6% and in financial year '24 is 9.06%.

Now looking at the balance sheet, shareholders' fund in financial year '23 was ₹312.3 million, and increase to ₹570 million in financial year '24. There is no major change in the current liabilities. Current liabilities for financial year '23 was ₹433.40 million decreased to ₹280.90 million in financial year '24. There is no major change in non-current assets. Current assets in financial year '23 was ₹640.80 million, increased in financial year '24 to ₹694.20 million.

Now we can have for the moderators to show the next slides.

Mukesh Vasani: I think, we are at the end of the presentation, Vinayji.

Vinay Pandit: Yeah. We'll take up the Q&A, sir. You can end the presentation.

Mukesh Vasani: Correct. I will end the presentation, and we're going to go to Q&A. Yes. I'm going to stop share. Thank you.

Question-and-Answer Session

Moderator: Thank you, sir. We take the first question from the line of Agastya Dave. Agastya, you can go ahead please.

Agastya Dave: Thank you very much, Vinaybhai. Thank you very much for the opportunity and a great presentation. I have two broad questions. One is on the marketing side. So you have clearly shown your capabilities. But how do you, I mean, first of all, what is the marketing set up of the company? And how do you approach your clients? How do you onboard them? What is the process? How do you win new accounts? And once a commitment is made from the customer side, what is the gestation period before which you start production? And do you need to put in some kind of a capital expenditure before you start, servicing a new account?

Mukesh Vasani: So good question, actually. Nirmal, you want to start?

Nirmal Vasani: Sure. So, I'm going to start in reverse order for your questions. So the last question that you asked was what our period is, are we call it a lead time between when an order is placed and when we can actually fulfil that order. And standard lead time depends on our material availability. And for most projects that is within eight to 10 weeks from order placement to order being delivered and fulfilled.

For, those types of orders, our standard orders, we actually have no need for any additional capital expenditures. We already have very strong equipment, very strong lines that are able to fulfil those orders, and there is no need to have additional lines being utilised in excess. And even as of now, even with our current growth, our management has been very careful to still have built in capacity to be able to manage larger orders coming in.

The question you asked previous to that is, the marketing setup of the company. And so I have a small request. Could you please elaborate on what exactly do you mean by the marketing setup of the company in this sense?

Agastya Dave: So, hypothetically speaking. Let's say, you think that you can service, you can make some speakers for Bose or Philips or Sony or whatever.

So, you have to crack that account, right? So somebody has to go and make a pitch. Somebody has to do the entire patiencet, then do the negotiation, present the plans, get their feedback, then probably they would like to visit your plant. There may be some additional certifications needed. There will be a fairly long process, right? So, in your organisation, who is heading this all these functions? Who is heading these functions, plus what kind of team you have in place? How many people are there? And how do you, I mean, what kind of investments do you need to make in your marketing setup?

Mukesh Vasani: So, Nirmal, can Sneh take this? Because he is the one taking earlier.

Nirmal Vasani: I was just about to suggest that.

Sneh Shah: So, Agastya, I was late by 5 minutes. So was the reason I was at Client's Place. So to answer your question, as of now, I'm looking after for sales and marketing. And for specific to lead generation and all to what we are exactly looking out for? We use like different, different social media navigator tools. Just an example I'm giving you as of now. Say, a LinkedIn sales navigator tool. So this kind of like social media platforms, there are some database exposed exhibitions. And there's several ways out once lead is generated. Leads are like, initially, it's prospect. From prospect, it gets converted to lead. Once we receive the RFP and all, from lead it gets converted to the opportunity to win it.

And then if in case required face-to-face discussion, virtual meetings, whatever is required, we do have a team size of it for different, different regions in case if it's required. So, but because as of now, what we do is we are into B2B market. So it's more of a virtual world post-COVID that it has started. So, as of now, that is how it goes.

Mukesh Vasani: Thank you, Sneh. To add a little bit, because this is something Agastya is not looking for. He's looking for more our in-depth plan. So we have about 10 people right now in India. Our goal is to have about 30 people to get engaged in marketing and sales. We also planning to have a couple other areas. After this money, we have some general purpose money. So we are planning to have a couple of office somewhere in middle maybe European countries or somewhere.

And we'll have some, we are participating one of the Germany Expo, Munich coming out, and we are participating international expo exhibitions. So we will be attracting those big name. Also, recently, we got registration and HAL, BEL, ISRO and all those peoples. So we

are now public company because we are previously was NRI directors and promoters. But now we are a public company, so we can go on more government, defence, railway, and all these areas too. I hope I answered your question.

Agastya Dave: Right. Thank you, Sneh. That was useful, and thank you Sir. So my second question was, so can we go back to the presentation? There was a particular slide which gave the breakup of your revenues by geography, by industry, and by product segments. So I had a question related to that slide. If you guys can go back to that slide.

Mukesh Vasani: Can we take on one-on-one, because we have almost 45 minutes, and we will not be able to answer other questions.

Agastya Dave: So then I'll quickly ask the question. You have so many products, and you have so many industries that you're catering to. Your scale is still what ₹100 crores, ₹90 crores, ₹93 crores, right? So are all the offerings that you're today making all the products, are all of them breaking even? Or some of them have not reached this, so on a variable cost basis, they must be making money. But, is everything making money on a fixed cost level? And second, when you scale up, what do you need to add? Is it more capital intensive, or is it more manpower intensive?

Mukesh Vasani: So I'm going to answer second first. We do not have to worry about capital, because our infrastructure is ready up to next three years. So with the coming new lines. So capital, we are latest and greatest lines, latest and greatest facilities, and most welcome to walk through the facility.

And the first question is going back to here, see Aimtron Electronics is just only says ₹91 crore or ₹94 crores number is correct, but it is born from Aimtron Corporation. There's nothing to shy that, Aimtron Corporation is a mother company in U.S., and that is originally started for Aimtron Electronics. So we are catering all those industries, and we are trying to encourage all the customers to go direct to Aimtron Electronics. And that is the reason you don't see. And also, when you have a smaller unit, it's very hard to justify all the percentage and everything. But within a couple years, you will see the way you are looking for the result.

Agastya Dave: Got it. One follow-up, and then I'm done. You said that you have enough capacity for three years. So what's the maximum revenue you can generate from this particular capacity?

Mukesh Vasani: Oh my god. That's a hard question. You look at that all my peers. Like, if you look at Vinyas, you look at Kaynes, Centum, everybody they are going far, far, far. But our goal is to have, we cannot commit to 100% growth. But right now, we committed to 30% to 40%, maximum 50% growth. That's what we are committing. Because, again, also our culture is more as American culture. Saying it'll get done and if later it doesn't, we don't want to do that.

Agastya Dave: Thank you very much for answering my question. Thank you, Vinaybhai.

Moderator: Thank you, Agastya. We'll take the next question from VN. VN, you can go ahead, please.

VN: So firstly, congratulations for listing your firm on the Indian markets. And in anticipation of, what is going to be very fast pace growth for your industry just like your peers. I'd like to understand, impressively on ₹94 crores of revenue, you seem to have a lot of exports also that's going on. So, can you please help us understand the levers for growth? How much of the India business are you going to see at what percentage of growth? Because there's a lot of geographies mentioned on Slide 30, and I'd like to understand, what sectors are you targeting in which markets and how would you execute that? It's quite exciting and unique, when we compare it to other players in the EMS industry in India, not others, I mean, others don't seem to be targeting the overseas geographies. Whereas, Aimtron is having a very wide portfolio of products across geographies and plus you have two companies, both the mother corporation and Aimtron India. So please throw light on that? Thank you.

Mukesh Vasani: Thank you so much for that. It's a long question, though. And I hope I can satisfy your answer. Mainly, our goal is to have a various market, because we are -- I know electronics is kind of mother of all industries, correct? All product. Because we are doing design. We are doing engineering services. So our goal is to stay in every market categories with the let's see MRI, so medical. We select MRI customer, but we try to build a cart for them, controller for them. We don't want to go on plastics and top and top, unless there's a full benefit of this design also.

So our -- we're going to satisfy most of all the industries. Geography wise, our India will be 20%. That's our process right now 20% to 30%. And then rest up will be out of country, because a lot of customers,

they are looking for India, and they are looking for Indian solution. And that's what we are trying to cater them and to come to the India directly.

So that is why you will see a varieties of our product, and you will see a varieties of customer base. In addition, varieties of geographical exposure. And then and then, we can keep our margin and everything. Otherwise, that kind of question will come up next. So because of this reason, we go to niche market and niche area and niche product, and we can maintain our EBITDA.

VN: So does that mean that you have sales and marketing across the globe? Because you cited Hong Kong, you cited other countries, North America, Europe, etc. So you have sales and marketing across the globe, which is able to help you with the business?

Mukesh Vasani: In the progress, yes and in progress also.

VN: Okay. So you cited North America, Spain, U.K., U.S., Hong Kong apart from India.

Mukesh Vasani: Yes.

VN: So you have a very wide portfolio, so you de-risked yourself in a way in terms of geography and also your product line?

Mukesh Vasani: Correct. We just listed about 20 days. So we started the process. We hired a guy for South Africa. We hired a guy for Germany, and we hired a guy for Texas. So we are working on that. And maybe next call, you will get more better answer.

VN: Okay. This is very exciting. And the second and last thing is, you said you have the Mother Corporation Aimtron in the U.S. What kind of synergies do you hope to achieve having these two firms? Because you've been in the U.S. for a long, so you've got a lot of brand recall there. I heard you have some stellar customers that you don't want to name, but that's fine. But what kind of synergy can the India business Aimtron derive from the U.S. presence of Aimtron?

Mukesh Vasani: Maybe next generation answer this question. Nirmal, you want to take the lead?

Nirmal Vasani: Sure. So there's actually a multitude of benefits that we get from our current setup with having our processes, our systems being developed

in the U.S., and then having those processes being implemented in India. The main one is that it allows Mukesh and I to build very strong customer relationships outside of India. And this is something that, unfortunately, my peers are not able to meet with, and that's why part of your previous question, we are able to support such a large export quantity is because we already have an established name and established reputation outside of India, and we have demonstrated that we're able to provide quality that is far beyond the norm for typical domestically developed products. So that is the first part.

The second part is that those relationships also give us a sense of education in terms of best practices for manufacturing and best practices for development that other companies may not have access to as of yet. So having a global perspective on what customer expectations are allows us to cater our manufacturing and development accordingly, which allows us to get a much wider spread in terms of which business we're looking for in terms of keeping within India versus looking to export from other countries in the world. I'm hoping this answers your question.

VN: So, yeah, this mostly does. So is there flexibility of what business can be moved to let's say the Aimtron India versus what business is executed out of Aimtron U.S.? Given to understand that you have a, you've got a very wide of workforce.

Mukesh Vasani: Sure. Yeah. So some customers, let's say they want American product an American way, they always get catered in America. Lot of customers, they have a price sensitives. They are not happy with the current manufacturing facilities. That's China, Taiwan, wherever they are, they love to come with us, and they wants to take the project to India.

And new customers, so we are trying to register directly with India. But some customers, they do not want to go direct to India. They will still come with us here, and then they will eventually transfer to India. So, yes, there is two separate entity, though Aimtron Corporation and Aimtron Electronics, both are totally separate independent identity. So there is nothing in between though. So we are trying to get better value in India and better projection there. So that is we are trying to accomplish.

VN: Thank you very much. All the best.

Mukesh Vasani: Appreciate it.

Moderator: Thank you. We'll take the next question from Rohit Ahuja. Rohit, you can go ahead, please.

Mukesh Vasani: Vinayji, I have one another call. okay, in my time. I mean another meeting.

Moderator: Yeah. We'll take these as the last two questions. Rohit, you can go ahead.

Rohit Ahuja: Yes. Yeah, thank you for the opportunity. So wonderful presentation and explanation about the business. So some part of my questions are already answered in last. And so just as you mentioned, we have like as of now lower revenue from India. So how you are looking India as a business opportunity? Because as we see in the various sector, be it defence, be it railways, be it aerospace, government is really pushing towards the local manufacturing. Our defence export is an all-time high. So how we are looking? As recently, I think you have mentioned that you got some approvals from HAL or BEL, can you like brief us more about that like, what opportunity that can bring to us? So that's my question.

And second question is just on the margin. As I'm checking with the another companies, we have a margin of north of 20%, more than 20%, right. I am comparing various other companies have margin of less. So what differentiate us really so that we have a lot of more margin than our listed peers or other companies? So just two questions.

Mukesh Vasani: So, yeah, the first question first is and a good question, though. So all these government bodies, we already started the process. How we can get there? We don't know yet. But I can tell you my peers, they doubled the business within two years. Kaynes is one of the open book you can see. They have a 34 years history. Before last three years, look at their history, three years ago or four years ago. And now in four years where they are. Look at even Vinyas is another two extreme I'm showing you. One is a top extreme, one is a bottom extreme. So Vinyas or Centum look at it. Their business is double. Is that correct? So there is a lot of opportunities, and we are prepared for that. So but right now, we cannot give you any numbers wise that this number will get it or this not. But we'll within a couple more crores, we'll see how it comes out and how it goes. So that's the first part.

And second part, I think, as Nirmal touch on this and I can give you one simple example, and I'm not sure if it's reliable and SEBI's guideline or not. But Mercedes can sell only Mercedes, correct? So if our concept is Mercedes. Our concept is a high EBITDA. We don't want to say high means always going to be 24% or 25%. But better than our peer will be always there, because we've a niche market. And we have a niche customer base, and we have a U.S. exposure.

Rohit Ahuja: Yeah. Thank you for the answer.

Mukesh Vasani: Thank you, Rohit.

Moderator: Thanks, Rohit. Anybody else who wishes to ask a question, I think there is one participant who's put down his hand. We have one question on the chat. Can you please give some details regarding the order book currently that Aimtron Electronics has?

Mukesh Vasani: Yes. Awesome. Sneh?

Sneh Shah: If you see as per, like, 1st April, we had an open order book of ₹110 Cr. And as per the press release that we did and the past couple of months, like April and May we added ₹20 crores more. So round about you can see ₹130 crores in total, yes as an open order book for past quarter.

Mukesh Vasani: I think, yeah. Thank you, Vinayji.

Moderator: We'll take the last question for the day from Prateek Chaudhary. Prateek, you can go ahead, please.

Prateek Chaudhary: In your press release, you mentioned about us getting some opportunity in the AI chips space. You mentioned something. What is this regarding? Is this some sort of a tie up with a large corporation to do outsource manufacturing for them? Or what is it in relation to?

Mukesh Vasani: I think it's too early to say, but we are working with one of the company, they are doing AI product. And we will be their manufacturing unit for them. That's what I can tell right now. Eventually, as time goes, we'll put more information on either SEBI website or once we do some kind of joint venture or something. But right now, it's too early to say. But yes, we are in a land of opportunity, so there is a lot of opportunities here.

Prateek Chaudhary: Is this one of the mega corporations globally that we may be in talks with?

Mukesh Vasani: Too early to say again at least. I think maybe let's follow-up these questions and maybe we can share a little bit more as we progress.

Prateek Chaudhary: Okay. And just one last piece, in one of your interviews that came about on the EMS now channel on YouTube couple of months back. So there you mentioned that we may even have plans to enter the ATMP and the OSAT space. So if you could…

Mukesh Vasani: Now I think we have a lot of opportunities once we come to India. So there will be a backward integration. When and where, we don't know yet. But we started working with universities under Aimtron Foundation and trying to learn was because OSAT and ATMP is new for me also and new for everybody. Is that correct? So we started learning that. And then, again, Prateekji I think we'll get back to you on that, eventually as soon we have some more information.

Prateek Chaudhary: Sure, great. Thanks a lot. All the best.

Mukesh Vasani: Most welcome.

Moderator: Thank you, Prateek. So do we have time to take one more question, or do we end the call here now?

Mukesh Vasani: Take one last question, because we started a couple minute late, so we need to be fair with our audience.

Moderator: Sure. We'll take the next question from Brijesh Dodia. Brijesh, you can go ahead, please.

Brijesh Dodia: I would like to thank you for this, I have gotten the allotment of the IPO, and I'm still holding it. So I just want to thank all the Aimtron Electronics member that, I have made some money, and I would like to still hold the shares, so that I can be a part of that Aimtron Electronics. Thank you.

Mukesh Vasani: Thank you so much. When you make more money, spend some for skill development.

Brijesh Dodia: Okay. I'll probably do that.

Mukesh Vasani: All right. Thank you. Thank you, everybody. Thank you, Vinayji. Really appreciate. And hopefully, this was the first call, so we made everybody happy. If not, we learn and we can always improve ourself.

Vinay Pandit: Thank you sir. And thank you to all the participants for joining on the call, and thank you to the management team for giving us their time. This brings us to the end of today's conference call. You may all disconnect. Thank you.