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BSE Limited Listing & Compliance Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	The National Stock Exchange of India Limited Listing & Compliance Department Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
Security Code : 532796	Symbol: LUMAXTECH

Subject: Transcript of Analysts/Investors Earnings Conference Call- Q1 FY 2021-22

Dear Sir/Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI Regulations, Please find enclosed herewith the Transcript of Analysts and Investors Earnings Conference Call of the Company which was held on Friday, 13th August, 2021 at 02.30 P.M. to discuss Operational and Financial performance for the 1st Quarter ended on 30th June, 2021.

The aforesaid information shall also be made available on the website of the Company at www.lumaxworld.in/lumaxautotech.

You are requested to take the same on records and oblige.

Thanking you,

Yours faithfully,
For **LUMAX AUTO TECHNOLOGIES LIMITED**



ANIL TYAGI
COMPANY SECRETARY
M.NO. A-16825



Encl.: As Stated above



“Lumax Auto Technologies Limited Q1 FY 2022 Earnings Conference Call”

August 13, 2021

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MANAGEMENT: **MR. ANMOL JAIN - MANAGING DIRECTOR - LUMAX AUTO TECHNOLOGIES LIMITED**
MR. DEEPAK JAIN – DIRECTOR
MR. VINEET SAHNI - LUMAX GROUP CHIEF EXECUTIVE OFFICER
MR. SANJAY MEHTA - DIRECTOR & GROUP CHIEF FINANCIAL OFFICER
MR. VIKAS MARWAH – CHIEF EXECUTIVE OFFICER
MR. ASHISH DUBEY – CHIEF FINANCIAL OFFICER
MS PRIYANKA SHARMA – HEAD CORPORATE COMMUNICATIONS
MR. ANKIT THAKRAL – CORPORATE FINANCE



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Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY2022 Earnings Conference Call of Lumax Auto Technologies Limited. This conference call may contain forward making statements about the companies which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing * then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anmol Jain, Managing Director. Thank you and over to you Sir!

Anmol Jain: Thank you. Good afternoon, ladies and gentlemen, a very warm welcome to Q1 FY2022 earnings call of Lumax Auto Technologies Limited. I hope you and your loved ones are safe and keeping healthy amidst these challenging times. Along with me on this call, I have Mr. Deepak Jain, Director, Mr. Vineet Sahni, Lumax Group CEO, Mr. Sanjay Mehta, Director & Group CFO, Mr. Vikas Marwah, CEO, Mr. Ashish Dubey, CFO, Ms. Priyanka Sharma from Corporate Communication and Mr. Ankit Thakral from the finance team along with SGA, our Investor Relations Advisor. The results and presentations are uploaded on the stock exchange and company website. I hope everybody had a chance to look at it.

Let me start by giving an overview of the industry performance. It would be unfair to compare Q1 of current year vis-à-vis Q1 of last year. Q1 FY2021 was into complete lockdown while Q1 FY2022 was under partial lockdown, slowing down the economic activity and movement due to regional lockdowns which significantly restricted the business in the months of April and May. We started experiencing normal business activities only from June onwards. Hence it is more relevant to compare Q1 FY2022 with Q4 FY2021.

As per data published by SIAM in the first quarter of FY2021-2022 the overall industry production was down by 36% from Q4 of FY2021. All segments faced major downfall. Passenger vehicles were down by 24%, two wheelers by 38%, three wheelers by 22% and commercial vehicles by 41% from Q4 of last financial year. However, the industry has shown signs of recovery from July onwards despite the volatility of commodity prices and chip shortages. We are confident of recovering the lost ground in Q1 in the remaining three quarters assuming there is no stalling of activities due to a possible third wave.

Let me now take you through the performance of each business entity. The standalone entity caters to integrated plastic modules, aftermarket business, chassis, swing arm for two wheelers, trailing down for three wheelers under the metallic business and two-wheeler lighting. The standalone entity has contributed 77% of the total consolidated revenues.



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Lumax Mannoh Allied Technologies, the 55% subsidiary which manufactures manual AMT and AT gear shifter systems and has a market leadership position contributed 14% to the total consolidated revenues.

Lumax Cornaglia Auto Technologies, the 50% subsidiary which manufactures air intake systems and urea tanks commanding 100% share of business with Volkswagen and Tata Motors contributed 7% to the consolidated revenue.

Lumax Metallics Private Limited of 100% subsidiary which manufactures seat frames contributed 2% to the total consolidated revenues. The company is confident of increasing the revenues over the next few years with the start of new launches in the current financial year.

Lumax JOPP Allied Technologies is a 50% subsidiary which is engaged in design, development and production of gearshift towers, automated manual transmission kits, all gear sensors and fork. The production has started to pick up as per the OEM schedules.

Lumax Ituran is a 50% joint ventures with Ituran Telematics of Israel. The revenue of this company is not considered in the consolidated revenue being an associate of the parent company as per Ind-AS.

The technology landscape is changing rapidly in the automotive industry. We see evolution and adoption of information and communication related technologies at an unprecedented scale. A shift is happening towards electric mobility, energy efficiency, light weighting of vehicles and alternate fuel usage.

In line with these emerging trends, our future partners should be experts in their field of technology with a history of innovation and product leadership. Our teams and technological partners help us design innovative solutions to offer localized solutions to our customers in the Indian market.

On that very front, I am very excited to announce our newly signed joint venture agreement with Alps Alpine Company Limited, Japan on July 2, 2021 for the manufacturing and sale of electric devices and components including software related to the automotive industry.

The company made two significant new launches during the quarter, in the passenger vehicle segment, the company provided ducts and air filter assembly for the Skoda Kushaq model under the Volkswagen group and in the two-wheeler category, made headlamps and tail lamps assembly along with other plastic parts for Bajaj's CT-110X model.

Your company was also recognized across different forums during the quarter. The Chakan, Chinchwad and Aurangabad plant of the company won Gold Awards in QCC Competition held by Quality Circle Forum of India and the Chakan Plant of the subsidiary company Lumax Cornaglia Allied Technologies Private Limited won the Silver Award in the same competition.



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Lumax Mannoh Allied Technologies, the subsidiary company won first position in the competition held by ACMA in customer complaints and best HR practices category and the Aurangabad plant of the company won second position in the same ACMA competition in productivity improvement Kaizen category.

At Lumax we are well positioned to capture the growing market opportunity with a diverse basket of products and capabilities to better serve Indian OEMs. We constantly thrive to unlock new opportunities and achieve operational excellence.

Now I would like to hand over the line to Mr. Sanjay Mehta, Group CFO to update you on the operational and financial performance of the company.

Sanjay Mehta:

Good afternoon, everyone. I will update on operational and financial performance of the company for Q1 FY2022. Operational highlights, the integrated plastic modules contributed 26% to overall revenues followed by chassis at 21%, gear shifters at 14%, lighting products at 13%, aftermarket at 13%, emission at 7% and others at 6%.

Two and three wheelers contributed 48% to the overall revenues, passenger car at 21%, aftermarket contributed 13% and CVs at 9%. Revenue stood at Rs.260 Crores as against Rs.388 Crores for Q4 FY2021, the revenue for Q1 FY2021 was at Rs.71 Crores. The company reported EBITDA of Rs.19 Crores and profit after tax and minority interest of Rs.3.4 Crores in Q1 FY2022. We incurred capex of Rs.2.4 Crores during the quarter.

Now we open the floor for question.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Abhishek Jain from Dolat Capital. Please go ahead.

Abhishek Jain:

Congrats for recent set of numbers in a tough time. Strong traction is coming in the two-wheeler EV segment so how you are preparing yourself to leverage this opportunity, which all products are you looking to supply in EVs and lightweight side?

Anmol Jain:

Thank you Abhishek for the encouraging comment. On the EV space, our view is that it will still take some time unless and until the electric vehicle is able to penetrate into a wider share of the total two-wheeler market, we still feel that yes it will penetrate faster than the passenger cars, but the ICE engine will still be the mainstay for quite some time; however, the good part is that there is no component in the current portfolio which gets affected or is at risk of deletion under the EV space. We have also made some further progress in acquiring certain businesses on the EV models in the current quarter and I can only say that against our strategy of electronic and plastic footprint to grow in the future will also go a long way in helping us serve some of the two-wheeler EV models.



Abhishek Jain: You have won the gear shifter user assembly and the urea tank order from the CV segment, although this business is quite small right now, but I wanted to know what is the revenue visibility for the next two years from these two products especially in the CV segment?

Anmol Jain: If you look at the gear shifters specifically on a full year basis, the company did approximately Rs.125 Crores of revenue in the last financial full year. I think we do anticipate a strong growth in the current financial year mainly because of aid in technological changes because going from AMT or MT or AMT or AT also to get into a better wallet share in few of the customers, so for those reasons we do see a good growth in FY2022 on the gear shifter business. Coming to the urea tank business I think because of urea tank, Lumax Cornaglia as a company was perhaps only a company which still showed a growth in the positive territory last year despite Q1 being under lockdown and we have good engagement and an order book for the future on the urea tank so we do expect this to grow as well. I would not be able to give you accurate numbers of the next two years, because there is a lot of uncertainty and volatility still, but I can only share with you that both the products have a good order book and I am looking at a promising growth in the coming two years.

Abhishek Jain: So how much realization per unit in the gear shifter Lumax business right now?

Anmol Jain: So, the gear shifter in terms of you talking about per vehicle?

Abhishek Jain: Yes, per vehicle realization?

Anmol Jain: So approximately on a manual transmission let us say per vehicle would be anywhere between Rs.350 and Rs.500 depending again on the model, but as I said the technology is changing more rapidly towards the AT and we do expect a significant 3x to 5x multiplying effect on the per vehicle revenue, the minute we go to the AT Technologies.

Abhishek Jain: What is the contribution of the AT in overall portfolio right now?

Anmol Jain: Right now, it is about 20% about 80% is still empty.

Abhishek Jain: In aftermarket business, basically we have seen a sharp degrowth in this quarter because of the lockdown and although that in FY2021 it was quite strong, so just wanted to know that what sort of growth we are looking from this segment in the next two to three years where the base is quite high and what would be the key driver?

Anmol Jain: Aftermarket as a segment because of regional lockdowns did get severely impacted in Q1 however I am very happy to share with you that in the month of July and let us say partial August in the last 45 days there has been also a very sharp and steep recovery in the aftermarket since the retail markets have now opened up. We are probably back, to our Q4 revenue levels in the aftermarket looking at July month standalone. Giving you a broader perspective of the long term, I think I have always maintained that over the next three to five years we would definitely like to



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double our aftermarket portfolio in terms of revenue. The company does accept and is cognizant of the fact that aftermarket is really a better profit margin earner for the company as well. And in line with that strategy, I think the company has ambitious plans of launching new products both with the current set of segments as well as getting into new product lines to increase our footprint across India and increase our revenues of the aftermarket in the next three to five years.

Abhishek Jain: Which all products you are going to introduce in aftermarket can you throw some light on it?

Anmol Jain: There will be many products, there are many products under feasibility right now, but first and foremost we have gone into automotive mirrors as well in the past. We have also gone into electric horns and cable assemblies also some plastic painted products so these are some of the new product segments which we have entered into of course having said that we have also expanded our model range within the lighting segment which still contributes significant share of the total aftermarket business and going forward we will still keep on evaluating and launching new product segments, which make business sense.

Abhishek Jain: How is your tie up with the Lumax Industry basically you take some products from the Lumax Industry and sell it to the aftermarket so how is your tie up with this Lumax Industry in terms of the bookings and all?

Deepak Jain: Abhishek, this is Deepak Jain here. Let me just come in here. Basically, there are certain products which Lumax Industries would supply into Lumax Auto Technologies both being listed entities, they basically come under arm's length and transfer pricing restrictions so we are very cognizant of that fact. And also, I mean say as Lumax Auto Technologies as Anmol just said they would basically be depending on the expansion of market and products would also be sourcing from other suppliers so that is a similar relationship which Lumax Industries would have for Lumax Auto Technologies in the aftermarket space. Lumax Industries would only be supplying certain lighting products, which basically would be non-conflicting with the OEM.

Abhishek Jain: Sir, my next question is related with the plastic parts business especially for the four-wheeler side. You are setting up the plant in the Bengaluru, so just wanted to know what is the progress now and how would be the asset turnover of this one?

Anmol Jain: Vikas, can you share some light on the four-wheeler business of Bengaluru?

Vikas Marwah: This Bengaluru plant actually is a Brownfield expansion. Currently we are doing two-wheeler moulding parts.

Anmol Jain: I do not think you are audible, so I will take that question. I think the Brownfield expansion is primarily to cater to the passenger car. Bengaluru plant largely has been catering to the two-wheeler space so far, but the Brownfield expansion is to cater to the four-wheeler plastic products mostly kinematic products and to get a higher contribution per vehicle. Your question on the asset turns well Brownfield expansions historically have been a much better financially feasible

compared to a Greenfield one. So, we do expect I think this particular plant right now has a 1:1 asset turnover. We do expect it to go up to possibly 1:1.5 in the coming one or two years.

Moderator: Thank you. I would request Mr. Jain to re-join the queue for follow up questions. The next question is from the line of Apurva Mehta from AM Investments. Please go ahead.

Apurva Mehta: Congratulations on a good set of numbers. Just wanted to ask about this new JV you know Alps Alpine what is the product profile and why such JVs when we already have so many JVs now, we are adding one more JV. So, can you throw some light what is the capex program, product profile and how excited are you in this JV?

Deepak Jain: I will take this question. Thank you very much. Alps Alpine first and foremost is a global player, which is having a revenue of about US\$8 billion almost. Now if you see it in our joint venture partners you rightly said there are multiple joint ventures, which we are having and this is the company's ethos that if it is fitting a company or customer need, we would actually go ahead and actually capture that opportunity, although it may take some more time for realization of those opportunities depending on the market dynamics. Now Alps Alpine could be one of the key cornerstone joint ventures for the future of Lumax Auto Technologies. If you were to see in the Lumax Group probably this would be the largest joint venture partner in just terms of revenues. Also, we are very excited because if you see our press statement, the product category is something, which is extremely futuristic specifically also when the whole mobility transformation is changing. Anmol, just talked about the whole strategy to talk about EV or case connected cars, we are fundamentally going into the sensorization and the electronification, which Alps Alpine is a leader in globally. So, they do manufacture components which would cater to this product line, since it is a very recently signed joint venture, we are still in the process of feasibility study, which we expect to complete in the next quarter with our customers, but as already have in its productive category, the customer which is one of the largest customers, which is Maruti Suzuki. So, we will be closely talking with them and other customers also Japanese and non-Japanese so once our business plan scenario is complete within the next quarter, we would be able to share some more details on it. Thank you.

Apurva Mehta: Can you throw some light on you know the JVs which we are having that about sensors and you know JOPP and Ituran and where they stand because last few years, we are seeing that mostly these JVs are not performing or getting into losses and I know they are long-term stories, but if you can just broadly discuss on where they stand now and what is in next two years what is going to happen starting from the sensor?

Anmol Jain: Probably I think how I put it is that if you look at the joint ventures and subsidiaries put together, they contribute roughly around 20% of the consolidated revenues today. I have always maintained that in our midterm plan of let us say three to five years, we do expect that the joint ventures and subsidiaries would possibly garner of one-third share of the total consolidated revenues thereby clearly the joint ventures will grow at a faster rate compared to the standalone entity per se and again depending on the joint venture for example Lumax Mannoh is a matured



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joint venture. It already has attained a market leadership position, so in the future we do anticipate growth coming from technological shifts which we have already started seeing in the past couple of years. Lumax Cornaglia, I think only in the last year with the introduction of the urea tank, it has made significant progress in its contribution to the overall revenues and we do expect to continue penetrating this space of the emission, critical plastic moulded product and driving growth for the group as well, so we anticipate Lumax Cornaglia to be on a high growth trajectory, because of also the small pay. Lumax Metallics and Lumax FAE I think this subsidiary and joint venture are fairly recent and I would say it would be right to say that we may not have achieved the full potential of these joint ventures, but we are still in deep discussions with our customers and we are still hopeful that both this subsidiary and the joint venture should start contributing to the overall growth of the company in the next one to two years. Apart from this of course as Deepak had mentioned the new joint venture we are right now still conducting feasibility, but this is in line with our strategic intent of getting a better and a deeper footprint in the electronic space and Alps Alpine being a global giant and already having a business relationship and revenues with Indian OEMs both in four wheeler and two wheeler space, we do expect that this JV will be up and running from the first year itself rather than waiting for new orders to kick in. And the scalability of this JV will be a lot faster than traditionally what we have seen at Lumax Technologies.

Apurva Mehta: Great and on the Ituran front end we had one LOI with some global OE, so where it stands and what you know when can it materialize and when can we see some kind of revenues from that too?

Anmol Jain: The global we have already achieved the LOI and it is right now in the development stage we do anticipate in FY2023 revenues to kick in and it is a strong order. It is almost about close to Rs.20 Crores plus per annum business which is a sizable one for this associate company.

Apurva Mehta: The new order wins of Rs.120 Crores, can you throw some light which where these orders are in which segment, they have?

Anmol Jain: The new order about Rs.120 Crores largely almost close to I would say 60% of it would be in the plastic space, again you have to understand the synergy between our long-term plans and our quarterly order book, so as I said electronic and plastics continue to be the main foray for the companies almost 60% of the new order book vests in plastic apart from that there have also been some significant wins on the metallic chassis where we have penetrated to the premium biking segment of Bajaj Auto, we were already on the export models and now we are also going to be supplying to the premium KTM range and also the Telematic win which I had just mentioned to the tune of Rs.20 Crores is one of the key order books apart from that even the lighting and the gear shifters continue their organic wins for new orders.

Apurva Mehta: Your outlook for this year which you have targeted around 30% growth, we still stand to that where we had a little weaker Q1 and we still hope that we can achieve this 30% kind of growth for the year?

Anmol Jain: It would be appropriate to wait and watch for Q2 and still there is a lot of volatility but I think given the performance of the last 45 days I am pretty hopeful that if the similar momentum were to continue, we would definitely be able to outperform the industry. As per SIAM latest estimates the industry is likely to grow anywhere around 15% to 18% for the full year so given our track record of beating the industry estimates I do expect maybe upwards of 20% growth for the current year, but I would be able to throw some more light on it maybe at the end of 2nd quarter call.

Apurva Mehta: Any update on the semiconductor side where we are listening a lot of buzz from that there will be 10% kind of production cut overall for the year and any update on that and if you can throw light on that, are we going to be affected from that end also or we are not effective?

Deepak Jain: So, let me take that question. I think from a semiconductor industry point of view it is still very, very early to say how much annually the industry would get impacted. I am aware that some of the companies have made a statement; however, as an industry I think this formal statement has still not been out. The semiconductors remain a challenge. Our company is fundamentally not having so much dependence on either imports or also exports and hence it is pretty much localized solutions which we are using. Of course, the risk does remain if the OEM schedules do change and we are closely in touch and monitoring very closely all our major OEMs what fluctuations will come in also you have to understand that in the two-wheeler space, the impact of semiconductor shortage is relatively lesser than compared in the pass-car as well as in pass-car there are certain OEMs who are more impacted than others, so we do not see any adverse impact on the company's performance due to semiconductors.

Apurva Mehta: Also, Deepak Sir can you throw some light on the EV front also what is your view and how this where the two-wheelers are going and where you see India to move on the EV side?

Deepak Jain: My view is as Anmol said that the EV of course the two-wheeler would be an early adopter given also the fact that there is strong policy governance both at the central and state levels to bring in EV mobility. The key part here is that the company is engaged with the major players in the two-wheeler space as you also know that all the two wheelers, current OEMs are also having their EV strategy which will be helpful for the company when you are doing it. We have also done risk mitigation on the products which we are currently having and we do not see any adverse risk in the near future which will impact because of this whole EV transition. My personal view is that this whole EV space will definitely play out a lot faster now in the two-wheeler space. I am also happy to say that we are already engaging with the new age players which have not been our traditional customers and we are looking at business opportunities in the EV. In terms of the strategy, in the EV space there is motors, controllers, batteries. The company and the group are looking at now light weighting trends of CASE in terms of connected as well as the sensorization, electrification which will also be rapidly adapting in and adopting in the EV space. That is where we would position ourselves and still continue to look at opportunities on localization when basically the EV story plays. But we are very excited about this and I think this transition will only help the company to perform better.



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- Apurva Mehta:** So, this new JV is all about that only where we see that playing a critical role on that front?
- Deepak Jain:** You are absolutely right I mean if you see most of our JV in the last two to three years have been on new tech areas and unfortunately the EV space is still to play out and it very quickly occupies this whole new opportunity. You have to understand that very clearly. Start-up usually takes about seven to eight years gestation we have been trying to do it in three to four years and then JV is like a new start-up, also you have to understand clearly that there are only limited opportunities which will happen for a certain window, unfortunately in the last two years whatever JVs we have done I think also some Corona impact has happened where globally our partners also have been impacted it is not Indian impacts, a global impact, but as we are coming out of this, we will definitely see a lot more traction happy to say that most of the JVs have got a great customer engagement and at least that is building up the brand on individual JVs per se, So we are definitely very bullish about the future in terms of the strong performance because that is something where it will give a hyper growth in years to come once the new story mobility plays out.
- Apurva Mehta:** Last question from my side on the export front, where we have a lot of JVs and there are a lot of outsourcing stories from JVs also, is there any possibility that there can be a big outsourcing story for us also where we can supply to with the help of the JVs or the outsource or we have some products which we would like to export over the period of time and are we looking at export as our long-term strategy for growth or in this Lumax Auto?
- Anmol Jain:** Yes, absolutely I was saying that in our long-term strategy export continues to be a key focus area and as you rightly suggested and said that most of our joint venture partners we are trying to see if through certain cost advantages, we could utilize India's production base for some of their global plants requirement and move the production to India thereby giving the impetus to the joint venture and in turn also giving certain cost advantages to our foreign partner. So, some of those discussions are already underway, we do anticipate that we would be able to perhaps start the export business through our partners first and the case in point is Lumax Mannoh where we first attained the market leadership in the domestic market and today, we also are suppliers to certain programs in the overseas market. And even in one of the other joint ventures like Lumax Mannoh, we have recently also acquired some export business for the Indonesian market. So, there are already some inroads made, but as a long-term strategy we will be continuing to focus a lot more and increasing our export footprint in the company.
- Apurva Mehta:** Great. Thanks, a lot and wish you all the best.
- Moderator:** Thank you. The next question is from the line of Hasmukh Gala from Finvest Advisors LLP. Please go ahead.
- Hasmukh Gala:** Congratulations for really good set of numbers never expected these kinds of Q1 performance. Sir my question relates to mainly our JVs, right now as you rightly said that the revenue is very less. I think all put together last year they had a revenue of about Rs.230 odd Crores, now how is



the production activity being conducted for this JV in India. Like are we importing the major components or in semi-lockdown condition and just assembling here or are we into full-fledged manufacturing of the end product also? That is my first question.

Anmol Jain: Hasmukh Bhai thank you very much for your encouraging comments on the results. On the joint venture, we are right now you are right where we did almost about a Rs. 250 crores revenue last year, majority of the revenue is highly localized so we do not have a very high dependability on import content across our joint ventures, most of them are locally not just assembled, but in a sense fully manufactured locally. Lumax Mannoh for example is a full-service supplier where there is a very high penetration even on the R&D and the design segment, so we are literally a full-service provider of gear shifter systems to our OEM. Largely because these joint ventures have taken a long time in achieving a certain threshold of revenue that is the reason why you still see that overall company as a whole, we are still at about 20%. Also, certain joint venture partners, the strategy or let us say the common intent for the Indian market took sometime to synergize and balance out but in the last couple of years, we have had a realization that going forward, we would like to partner with technology partners, partners who are again already achieving a certain leadership position and have a strong focus on the innovation and technology because that is where we feel is the USP. And hence going forward our let us say joint venture strategy has to that extent perhaps stands slightly corrected and modified in terms of the partner selection and in terms of this area where we would like to focus upon considering electronics and plastics, so I do feel that going forward you will see a lot more progress on our joint ventures' contribution to the overall revenue and as I said before our endeavour is from the current 20% mark to take it to at least one-third by the next year.

Hasmukh Gala: Right. The second question is how much investment have we made in these joint ventures all put together?

Anmol Jain: It is about Rs.75 Crores is the total investments we have made so far in all the joint ventures.

Hasmukh Gala: From Lumax Auto side?

Anmol Jain: Yes, from Lumax Auto, our contribution to the joint ventures.

Hasmukh Gala: Another question you said the impetus of the capex of Rs.40-odd crores odd what is our plan for full year capex?

Anmol Jain: Full year capex plans would be anywhere between Rs.80 Crores and Rs.90 Crores this is what we would envisage obviously the majority of it would go into the Bengaluru Brownfield expansion also in setting up the new businesses for the metallic business of the Pulsar and the KTM family, also certain gear shifter expansions to manage our customer needs those would be the key areas of investment; however, Rs.80 Crores to Rs.90 Crores is what we envisage and I think in Q1 we have done only a negligible Rs.2 Crores to Rs.3 Crores of capex out of this Rs.80 Crores to Rs.90 Crores.

- Hasmukh Gala:** If you are able to say growth top line in this FY2022 subject to all the limitations which you discuss of anywhere between 20%, 25% and 30% what kind of EBITDA margin you will be looking at?
- Anmol Jain:** I think historically if you see even in the last financial year where we had peaked out on revenue in terms of our capacities. We have already started achieving close to 12% EBITDA mark. In Q4 we had achieved a 12% EBITDA mark and our endeavour would be to first kind of bounce back to those levels. Obviously going forward as I have always maintained our long-term strategy would be to enter the teen EBITDA but first and foremost if we were to get back on our feet and get back to full capacity utilization, we should be able to come back to the 11%, 12% EBITDA mark.
- Hasmukh Gala:** Okay and Sir our effective tax rate is still very high, so we have still not gone for the new rates?
- Anmol Jain:** Sorry I could not get that question.
- Hasmukh Gala:** Our effective tax rate is very high at about 37% in first quarter and FY2021 full year it was 28% so have we not gone for the new rate so far?
- Sanjay Mehta:** We have gone for new rate because of the deferred tax, it is like that. So, the full year we are expecting the tax rate would be around 28% - 29% for FY2021.
- Hasmukh Gala:** But we are not going for the new rates?
- Sanjay Mehta:** Yes.
- Hasmukh Gala:** Okay, fine. Thank you very much. Wish you all the best.
- Moderator:** Thank you. The next question is from the line of Nirmal Bari from Sameeksha Capital. Please go ahead.
- Nirmal Bari:** Thanks for taking my question. The first question is on the current quarter what was the revenue loss as compared to what we were expecting?
- Anmol Jain:** The first quarter revenue loss would be close to about 25 working days which in result translates to about Rs.75 Crores to Rs.80 crores loss of revenue.
- Nirmal Bari:** If we had this and at a similar gross margin level then our EBITDA should have been higher by about Rs.75 Crores to Rs.80 Crores on that 30%?
- Anmol Jain:** Well, if you look at our Q4 performance, our Q4 performance of Rs.388 Crores, but Q4 is historically a key quarter because there is a lot of demand, pent up demand so I would say that

yes if things were to go right and no COVID effect, then we should have looked at maybe a Rs.330 Crores, Rs.340 crores revenue mark for Q1.

Nirmal Bari: The second part is on the gross margin so what we have seen for on the OEMs as well as the other a lot of companies is that there is a lot of pricing pressure that has come in which has impacted gross margins for all these companies, so in your case the gross margins have remained intact in fact sequentially there has been an improvement so why is that I think are we seeing cost pressures and are we able to pass on the entire cost pressure first is that and second is going forward also would we be able to maintain similar margins in the next few quarters?

Anmol Jain: Yes, first and foremost I have gross margins if you see historically over the last three, four, five quarters, they have always maintained around the 32% to 33% mark. We do see certain escalations on the raw material side, but our largest customer is Bajaj Auto contributing almost one-third of the consolidated revenues and we do have very clear understanding with most OEM on a back-to-back raw material settlement in terms of the prices. There may be a lag of one quarter based on the actual realizations, but most of our OEMs do compensate on the raw material escalation so we do not see any concerns on the gross margins going forward.

Nirmal Bari: How are the cost prices panning out in terms of in the current quarter because we have been hearing some stories about steel prices again, I think steel companies are again asking for hikes so for our product basket which is plastics and metals and all, how are we seeing the pricing at present?

Anmol Jain: There have been some price movements on the upper side as I mentioned both on the plastic side as well as on the metallic side, but most of the OEMs as I mentioned do understand the price escalations in some cases, they settle these prices themselves and, in most cases, they do compensate us with for all these escalations. So again, I am not so worried about the raw material escalations, because that is a back-to-back arrangement with most OEMs however of course with the loss of the revenue, there has been a loss on margins, because of certain fixed costs and going forward we do expect to correct that as well so that we become a little more agile and flexible in our cost structures, in our internal cost structures making the company a little healthier and more robust going forward.

Nirmal Bari: My third question is I heard that you said SIAM is targeting about 15% to 18% growth and so we are expecting around 20% kind of growth, is that correct?

Anmol Jain: I did not say we are expecting 20% specifically I said we are usually fared better than the industry. SIAM did last revise it to 15% to 18% I will let Deepak maybe validate that. But if we see the current momentum of the last 45 days to continue without any so-called third wave, which we keep hearing about we do expect that we should be doing a decent growth of beyond 20% is what I mentioned.

Deepak Jain: Just to come in I think it is very difficult to actually predict an industry growth. SIAM would keep on revising it based on quarter performance as such, but clearly, we are seeing a good, I would say demand post the lockdown and the third time is happened so I think that is what gives industry the confidence that once the lockdown is uplifted, there is a short-term spurt on the pent-up demand and still the demand remained healthy. Now within their segments, there would be different performance, but given the company's business plan as Anmol just mentioned we definitely would do better than what the industry performance would be given multiple dimensions of Lumax Auto Technologies.

Nirmal Bari: That was just to confirm because 20% growth rate would mean only 3% year-on-year growth for the next three quarters since Q1 last year was a complete washout and my last question was on Alps Alpine I had asked this earlier in a meeting as well but have we decided on the product portfolio over there or what kind of capex we would be incurring on that side or those are plants working progress at present?

Anmol Jain: Number one on the 20% I just want to correct you; I think when we are talking about a 20%, we are talking about the full year 20% and not just the next three quarters at 20%. So, it also takes into consideration the downfall of Q1 so if you compare on a year-on-year basis we are talking about 20% on a full year FY2021 vis-à-vis FY2022. Number two on Alps Alpine I think as mentioned earlier the product category is broadly electric components the sensorization etc., and they are also a key player in the switches business with supplies to certain OEMs in India currently. Right now, I would be not able to comment on the capex outline because the business plan feasibilities and customer engagements are still on but I do hope that in the subsequent quarters I can shed some more light on it.

Nirmal Bari: Just to clarify I had assumed 20% growth over FY2021 in FY2022 and based on that it comes back for the nine month that is Q2, Q3, Q4 of FY2022 versus Q2, Q3, Q4 of FY2021 that would mean a growth of just 3% for those three quarters that was what I was coming with a 20% growth?

Anmol Jain: Sure.

Nirmal Bari: Thanks. I will fall back in the queue.

Moderator: Thank you. The next question is from the line of Rakesh Jain an Individual Investor. Please go ahead. Due to no response, we will move to the next question from Aayush Oberoi from Victor Delta Securities. Please go ahead.

Aayush Oberoi: Thanks for the opportunity, Sir. I have a couple of questions. The first one is that government has announced update on scrapping policy, so how much beneficial it would be for us?



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- Deepak Jain:** I think the scrappage policy with the government which is very recently announced. I think from our perspective, we still need to evaluate in the long term we are not in our business plans let me uptick because of the scrappage policy.
- Aayush Oberoi:** Okay, the second one what was our overall capacity utilization during Q1 in standalone operations and at JV level?
- Deepak Jain:** Can you repeat that question?
- Aayush Oberoi:** What was the overall capacity utilization during Q1 and standalone operations and at JV level?
- Anmol Jain:** Let the finance team answer that.
- Deepak Jain:** I can take that I think from Q1 level our capacity utilization is better in terms of about almost close to 70% plus. This is for our existing product portfolio. On our JVs, we are still apart from Lumax Mannoh which is a matured JV and Lumax Cornaglia we are also running at about 70%; however, if you look at in terms of the new JVs formulated that is very this thing is almost about 20% or so.
- Aayush Oberoi:** Okay and another part is how is the demand momentum in the month of July and August?
- Deepak Jain:** Very well on for us July and August have been very significant steep improvement actually pleasantly so and it kind of reflects on what basically Q4 probably a month-on-month performance perceives. So, I think July, August looks good for which I think we are pretty much on the ramp-up mode now.
- Aayush Oberoi:** The last question like the battle against the increased cost of commodity, do we have any plans to control other operating costs to improve margins for current fiscal year?
- Deepak Jain:** I think there was also a similar question prior to this commodity price increases would be a continued trend even in the future or at least foreseeable future given the supply demand disruptions. I think the company based on the contracts with the customers are pretty much in confidence that we would be able to actually pass on and at least kind of protect ourselves on a very steep commodity price increase. Also, the company is looking at a very and it has been consistently doing cost reduction programs internally and improve our efficiencies, which also gives that we have been able to impact our gross margin. This will be a continuous trend over years.
- Aayush Oberoi:** That was very helpful. Thank you for the answers.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.



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Anmol Jain: I would like to thank you all for joining into the call. I hope that we were able to answer all your questions. For any further queries, you may please get in touch with us or SGA, we will be happy to address all your queries. Thank you and stay safe and stay healthy.

Moderator: Thank you. On behalf of Lumax Auto Technologies Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.