

BSE Limited Listing & Compliance Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	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/Investor Earnings Conference Call- Q4 & Financial Year ended 2023-24

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations, please find enclosed herewith the Transcript of Analysts/Investor Earnings Conference Call which was held on Thursday, May 30, 2024 at 02:30 P.M. (IST) to discuss the Operational and Financial performance of the Company for the 4th Quarter and Financial Year ended March 31, 2024.

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

This is for your information and records.

Thanking you,

Yours faithfully,

For **Lumax Auto Technologies Limited**

Pankaj Mahendru
Company Secretary & Compliance Officer
ICSI Membership No. A28161

Encl: As stated above



“Lumax Auto Technologies Limited
Q4 FY '24 Earnings Conference Call”

May 30, 2024

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on May 30, 2024 will prevail.



MANAGEMENT:

- MR. ANMOL JAIN – MANAGING DIRECTOR – LUMAX AUTO TECHNOLOGIES LIMITED**
- MR. VIKAS MARWAH – CHIEF EXECUTIVE OFFICER – LUMAX AUTO TECHNOLOGIES LIMITED**
- MR. SUNIL KOPARKAR – MANAGING DIRECTOR, IAC INDIA**
- MR. SANJAY MEHTA – DIRECTOR AND GROUP CHIEF FINANCIAL OFFICER**
- MR. RAJU KETKALE – GROUP HEAD MANUFACTURING AND CORPORATE PLANNING**
- MR. NAVAL KHANNA – CORPORATE HEAD – TAXATION**
- MS. PRIYANKA SHARMA – HEAD CORPORATE COMMUNICATIONS**
- MR. ANKIT THAKRAL – CORPORATE FINANCE**
- SGA -- INVESTOR RELATIONS ADVISORS**

Moderator: Ladies and gentlemen, welcome to the Q4 and FY '24 Earnings Conference Call of Lumax Auto Technologies Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectation of the company as on date of this call. These statements do not guarantee the future performance of the company, and it may involve risks 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 the star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anmol Jain, Managing Director of Lumax Auto Technologies Limited. Thank you, and over to you, sir.

Anmol Jain:

Thank you. Very good afternoon, ladies and gentlemen. A very warm welcome to our Q4 and FY '24 earnings conference call. Along with me on this call, I have Mr. Vikas Marwah, CEO; Mr. Sunil Koparkar, Managing Director, IAC India; Mr. Sanjay Mehta, Director and Group CFO; Mr. Raju Ketkale Group Head Manufacturing and Corporate Planning; Mr. Naval Khanna, Corporate Head, Taxation; Ms. Priyanka Sharma, Head of Corporate Communications; Mr. Ankit Thakral from Corporate Finance and SGA, our Investor Relations Advisor.

The results and presentations have been uploaded on the stock exchange and the company's website. I do hope everybody has had a chance to go through the same. To begin with, I would like to reflect on FY '24, which has been the most successful year in the company's history in terms of financial performance. We witnessed a remarkable revenue growth of 53% on a year-on-year basis, at INR2,822 crores and also the highest ever historic profit of INR413 crores EBITDA.

This achievement is a testament to our commitment to delivering high-quality, diverse automotive technologies and solutions to our customers. The growth was driven by strong sectoral tailwinds with vehicle sales across nearly all segments returning to pre-pandemic levels. This resurgence was fuelled by robust demand for passenger vehicles driven by customers' aspirational desire towards premium personal mobility.

A major highlight of the year was the rebound in sales of 2-wheelers, which had been experiencing a slowdown since the pandemic. We anticipate that this segment will continue to grow and outperform on the back of launch of multiple high-end models by major OEMs. However, it is worth noting that the tractor in Commercial Vehicle segment experienced subdued performance due to weak monsoon conditions and muted private capital expenditure during the year. Despite these challenges, FY '24 emerged as one of the best years for the industry overall.

Mirroring the performance of the auto sector, the auto ancillary sector has also achieved an unprecedented turnover of INR5.6 trillion in FY '24 based on the data released by ACMA. This was driven by several factors, including strong vehicle sales within the country, a thriving aftermarket and consistent exports. Additionally, the trend of premiumization seen across various sectors is increasing the value per vehicle.

There is a growing demand for high-end vehicles, particularly in the passenger vehicle and 2-wheeler segments. This trend presents a valuable opportunity for ancillary players like us to

increase our content per vehicle and enhance our market presence. The growing inclination of consumers towards high-end features and cutting-edge technologies in automobile is facilitating the development and provision of increasingly complex and sophisticated components by Tier 1.

Speaking on Lumax Technologies, this year marks the successful completion and integration of the IAC India business, which is poised to be a significant growth driver for the company. And we are confident that its momentum will continue fuelled by the addition of new customers and the expansion of our wallet share among the existing customers, which will enhance overall capabilities and position us to leverage synergies, optimize operations and deliver superior value to our stakeholders.

Coming to our joint ventures, Lumax Mannoh and Lumax Cornaglia have continued to demonstrate strong growth contributing significantly to company's overall growth. Other smaller joint ventures are also making notable progress towards the turnaround in line with our business strategy. These joint ventures are poised to become key drivers of growth as we move forward.

We are confident in their potential to enhance our market position and contribute to the sustained expansion of the company. Additionally, during the year, with an aim to boost our aftermarket presence, we also announced the partnership with Germany's Bluechem Group, a leader in innovative automotive car care solutions, to offer Indian consumers world-class automotive care products. Our company continues to be the preferred partner for major OEMs in the country due to our ability to locally design, develop and manufacture high-end products as a full system supplier.

We consistently demonstrate our capability to forge strategic partnerships and expand our product range, reinforcing our position as a key player in the industry. Speaking on the performance entity-wise, the stand-alone entity caters to Integrated Plastic Modules, aftermarket business, chassis and swing arm for 2-wheelers, trailing arm for 3-wheelers under the metallic business and 2-wheeler lighting. The stand-alone entity has contributed 47% of the total consolidated revenues for FY '24.

During the quarter, the Bangalore plant of the company received the best QCD performance award at Honda Motorcycle India Annual Supplier Convention held in Mumbai in March '24 and the VAVE aboard at the Maruti Suzuki vendor conference in April '24. IAC India, the recently acquired 75% subsidiary, which is a Tier 1 interior system supplier to key automotive OEMs in the country, including Mahindra, Maruti Suzuki, Volkswagen India and Volvo Eicher commercial vehicles contributed 31% of the total consolidated revenues for FY '24.

The company received the new parts Development Award at the Maruti Suzuki vendor conference in April '24, and the best cost management performance award at the Mahindra Supplier Excellence Awards in February '24. In the current quarter, the company has started supplies to the newly launched Mahindra 3XO model, which is offering premium interiors and

is in very high demand. The company also for the first time, has added Tata Motors as a new customer for supply of console based on the long-term relationship between Lumax and Tata Motors. The SOP of which is expected in quarter 4 of FY '25.

During the quarter, IAC India, which was acquired through Lumax Integrated Ventures Private Limited has been merged with LIVE with appointed date of March 10, 2023. Lumax Mannoh Allied Technologies, the 55% subsidiary, which manufactures manual, AMT and automatic gear shifter system and has the market leadership position contributed 12% to the consolidated revenues. During the quarter, the company received the financial prudence award at the same Maruti Suzuki vendor conference in April '24.

Lumax Cornaglia Technologies, a 50% subsidiary, manufacturing air intake systems and urea tanks commanding 100% share of business with Volkswagen and Tata Motors contributed 6% to the consolidated revenues. Lumax Ituran Telematics Private Limited, the 50% subsidiary, has successfully commenced supply of telematics parts to Daimler India in the current quarter. As a result, the revenue is expected to grow significantly in the next financial year.

Lumax Alps Alpine India Private Limited, the 50% subsidiary for the manufacturing and sale of electric devices and components, including software related to the automotive industry has contributed 1% of the total consolidated revenues. We have an order book of INR110 crores and continue with aggressive targets for this joint venture. The company did receive recognition for quick resolution of market feedback from Maruti Suzuki India.

During the current quarter, the company has acquired remaining stake in Lumax Ancillary Limited, and LAL has become the wholly owned subsidiary of the company with effect from January 25, 2024. Further, subsequent to year-end on May 27, 2024, the Board of Directors of the company has accorded its consent for proposed merger of LAL into the company with April 1, 2024, as the appointed date.

Lastly, on the orderbook front, the company has a healthy order book of more than INR900 crores, out of which INR200 crores is for stand-alone entity, mainly of plastics and metallic divisions, INR300 crores for the joint ventures out of which INR200 crores is for the new joint ventures and INR100 crores is for the matured joint ventures and INR400 crores for IAC India.

Out of the total INR900 crores, 90% is new business. 30% of the order book value will mature in FY '25, 55% in FY '26 and the remaining 15% in FY '27. The EV contribution is approximately 40% of the total order book. We continue to deeply engage with our customers to constantly win more businesses across models, thereby increasing our order book.

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

Sanjay Mehta:

Good afternoon, everyone. Let me brief on the operational and financial performance for Q4 and FY '24. For FY '24, Integrated Plastic modules contributed 47% of overall revenue followed

by aftermarket at 14%, gear shifter at 12%, fabrication at 8%, emission at 6%, lighting products at 5% and others at 8%. Passenger vehicles contributed 48% to overall revenue, 2 and 3 wheelers at 24%, aftermarket at 14%, CV at 9% and others at 5%. For more detailed operational highlights one can refer our investor presentation uploaded on the exchanges and company's website.

On financial highlights, the consolidated revenue for Q4 and FY '24 stood at INR757 crores and INR2,822 crores, respectively, up by 54% and 53% over the corresponding period. This is the highest ever single quarter and yearly revenue. It includes revenue for IAC India of INR886 crores and INR30 crores for Lumax Ancillary, our 2 months revenue of Lumax Ancillary post 100% subsidiary with the company.

EBITDA margin stands at 14.5% for Q4 as against 12.6% for the Q4 corresponding last year, up by 190 basis points. Absolute EBITDA for Q4 FY '24 stood at INR110 crores, growth of 77% on a year-on-year basis. For FY'24, EBITDA stood at INR413 crores, which is the highest ever registered EBITDA for the company with margins of 14.6% compared to EBITDA of INR224 crores at margins of 12.1% corresponding period of the last year, up by 250 basis points.

PAT before minority interest for the quarter stood at INR51 crores as compared to INR24 crores in Q4 FY'23, a growth of 116%. The margins stood at 6.8% for the quarter due to the tax benefit of finance and depreciation, costs amounting to approximately INR7 crores on IAC acquisition post-merger with LIVE as was explained in earlier investor call.

For FY '24, PAT before minority interest stood at INR167 crores, grown by 50% year-on-year with a margin of 6%. The tax rate for the full year is 26.4% and slightly to continue in the same range in the future. The capex during FY '24 is INR111 crores, which includes INR33 crores on account of lease hold assets. The actual capex, therefore, is INR78 crores. The company is sitting on a healthy free cash of INR396 crores. The net long-term debt as on 31st March '24 is INR15 crores. With this, we open the floor for questions.

Moderator: The first question is from the line of Neeraj from DAMAC Properties. Please go ahead.

Neeraj: If I look at our annual numbers, if I exclude the acquisition part, I believe we grew top line by around 8% and EBITDA by around 9%. And I understand things changed during the year, but when we started out and the guidance was around between 15% to 20% kind of growth, so can you please elaborate what happened throughout the year and what are our expectations for the next year?

Anmol Jain: So thank you, so your numbers are correct. Without the acquisition of IAC India, the growth numbers are 8%. There were 2 to 3 fundamental reasons why the earlier guidance of, let's say, double-digit 15% plus growth were not fructified in the last financial year. Number one was the aftermarket. I think in aftermarket, not just for Lumax but across pretty much all Tier 1s and other peers, we see that there has been either negative growth or a very muted single-digit growth. And this is largely because of poor cash realizations or income realizations from the

aftermarket. So we, as a matter of principle and good financial prudence, we make sure that we do not push the aftermarket revenues just to get the revenue going.

So in line with that, we altered our aftermarket sales, and that's why we grew at about 8% for the year versus the earlier guidance. So that's one of the reasons. The second was that Bajaj Auto has had a massive change in the product mix based on the earlier guidance. The Pulsar platform is the perhaps only platform, which has grown significantly to the overall Bajaj volumes, and that is a platform where Lumax Technologies does not necessarily have a strong presence in.

We are talking with Bajaj Auto to how to get into that platform in the forthcoming, let's say, quarters. However, these were the 2 fundamental reasons why without IAC India, the growth percentages are muted.

Neeraj: Understood. And sir, what's our guidance for FY '25?

Anmol Jain: So I would say that FY '25 at a consolidated level, I would still say that the growth would be anywhere around 20% to 25%. This includes IAC. Of course, the IAC growth is expected to be somewhere between 15% to 20% on the back of new model launches and certain other incremental organic growth of certain recently launched models. And again, the stand-alone entity would probably also grow in a similar vicinity of about 15% to 20%. The subsidiaries will probably grow at a much faster rate. I think overall we are expecting that growth to be maybe around 40% to 50%.

Again, it's a smaller base, but from a growth rate, we are looking at a much faster growth rate of the subsidiary than the joint ventures.

Neeraj: Understood. And sir, on Slide number 31, you mentioned that our net debt is INR16 crores, so this only takes into consideration long-term debt, but if you include short-term debt as well. So what's our net debt currently?

Sanjay Mehta: So the net debt, if I will state it is INR285 crores net debt, including the working capital limit, so the bifurcation is that long-term debt is around INR411 crores, exact figure, and the short-term loan is around INR270 crores on the working capital loan. I can say we are carrying the free cash of almost around INR400 crores.

Neeraj: Understood. And sir, I understand from our previous discussions that when we bought IAC, we entered into some kind of a loan agreement, which we had to keep on the books for 18 months. And we have a lot of cash on the books, so like can we repay those debt when 18 months period is over?

Sanjay Mehta: So this is a big debt and that still is there that period 18 months will -- somewhere it will go to September, so we are negotiating. And I think the way forward, whatever the interest cost that we have taken from NBFC that will be further restructured.

- Neeraj:** So in summary, in FY '25, can we see substantial reduction in our finance costs. Will that be a correct assumption?
- Sanjay Mehta:** No. I think because the substantial reduction in finance costs will not be there. But yes, the net debt definitely there's a reduction in the net debt, total debt.
- Moderator:** The next question is from the line of Amit Hiranandani from SMIFS Limited.
- Amit Hiranandani:** Congrats for the strong set of numbers for the financial year. Sir, my first question is basically, can you please help us with the revenue, EBITDA and PAT number for all these subsidiaries for FY '24, please?
- Ankit Thakral:** So, the revenue numbers have already been in the -- what they are in the opening speech of Mr. Anmol Jain and the subsequent EBITDA and PAT numbers, we will be uploading the financials of all the subsidiaries in, say, next month or maybe in the July month. So, but that number we can anyway share now offline.
- Amit Hiranandani:** Sure. I'll ask offline as well. And sir, if possible, can you at least give a broad number for at least for the three entities, IAC, Mannoh and Cornaglia, the revenue, EBITDA, PAT?
- Ankit Thakral:** So the IAC India revenue is INR886 crores for 12 months with EBITDA of INR175 crores.
- Amit Hiranandani:** And Mannoh?
- Ankit Thakral:** Mannoh revenue is INR353 crores with 17% EBITDA.
- Amit Hiranandani:** And lastly, Cornaglia, please?
- Ankit Thakral:** INR157 crore revenue at 18% EBITDA.
- Amit Hiranandani:** Great, sir. Sir, my next question is on the IAC India. And first of all, congratulations for adding Tata Motors as a new customer here. And just please give a broad outlook for two years for this important entity. And also, sir, we were supposed to add a capacity in India. So what is the status here? Current utilization level for the same and margin outlook for this important entity please?
- Anmol Jain:** So, I'll just quickly give my comments. And then maybe I'll request Sunil to give you a little bit more detail. I think we've always said that once we got into the strategic inorganic growth, the idea was to take the competency of IAC of India, and expand into certain other customers that improve our wallet share across customers. Clearly, Tata Motors entry is the first step towards that strategic direction. Second was also to see how we can cross-synergize and sell a basket of products to our customers.
- For that, I think, again, IAC India is already working in the advanced stages of probably developing and integrating the interior lighting along with the Lumax engineering team. I think going forward, I would still say that the CAGR of IAC India would probably continue to be in the

double-digit space. And again, from an operating margin, I think I would still say that anyway, upwards of 15%-odd EBITDA would be a sustainable number going forward over the next two to three years.

Obviously, on a top line growth of, as I said, more than 15% CAGR. But Sunil, maybe I'll just hand it over to you to have a little bit more understanding on the expansion part and what you entail in terms of the coming quarters. Sunil, are you on mute?

Sunil Koparkar:

Yes, no. I would take this opportunity to update the audience about the -- currently, our capacity is in full, and we are actually doing 2 major expansion in Pune region for upcoming launches. There are three launches planned in Pune region, starting from Q3, Q4, they will be phased out. We are also doing the expansion in our Nashik facility, one launch, as Mr. Anmol Jain said already successfully launched and has a tremendous pull in the market.

The second launch is just around the corner and the launch will be revealed by August 15. I think that is going to be another blockbuster launch coming through. So if you really look at it, the expansion is actually to cater to this growth coming between Q2, Q3, Q4, for the five new vehicles, which will be launched, and that will be the growth you will see in future.

Amit Hiranandani:

Great. This is very helpful. Sir, my second question is on the Lumax Mannoh. So if you can just help me how much is the current automatic gear shifters penetration? What is the market share of Lumax Mannoh in manual and automatic gear shifters? And have you witnessed any further traction in the exports from this entity?

Anmol Jain:

I'll let Vikas go ahead and answer that, please.

Vikas Marwah:

So the penetration of automatic gear shifters has been increasing over the last 5 years. In volume terms, however, it still constitutes around 40% to 45%, but in value terms, it is contributing more than 70% right now. That is due to the higher price between the manual gear shifter and an automatic gear shifter. We continue to be the largest player in this segment in the country by far, with more than 80% market share across all the passenger vehicle customers.

The automatic gear shifter also is slated to give way to the mono stable shifters, resting on the e-shifter technology -- that is now transitioning, but that is still two to four years away, and we are well placed on the R&D road map there. Sorry, what was your second question?

Amit Hiranandani:

Sir, on the exports, how is the traction there?

Vikas Marwah:

Yes. So as far as exports are concerned, in -- so each of our joint ventures are India-specific joint ventures, and we are fenced to that extent. Also, because of that, we are not very aggressive on exports in our joint ventures. But basically, in case of Mannoh, they have opened up the ASEAN market for us to begin with. We have started exporting for one major OEM into Indonesia and Malaysia right now. And the road map is now clear for expansion into 5 countries

over the next 5 years as the capacities are getting choked in their parent entities in Japan and other places.

Amit Hiranandani: This is very, very good news for this entity. Sir, lastly, on the Lumax Cornaglia.

Moderator: I'm sorry to interrupt, sir. Mr. Amit, could you please follow back on the question queue? The next question is from the line of Nilesh Shah from Julius Capital.

Nilesh Shah: Sir, just one small thing from my side. Can you please just talk about your plans with respect to the two companies that the group has, which is Lumax Auto and Lumax Industries? What we see is that the management team, right? And is it in the client base right is common across them? So what are your plans? So what are your plans, do you have any plans to merge them down the road and if you don't, , how do you operate both like, both from a KMP and from a client relations point of view. I'd say that both firms are able to grow over time? Thank you.

Anmol Jain: Understood. Nilesh thank you for your question. I think this call is more pertaining to Lumax Auto Technologies. But anyway, I'll give you a quick oversight. I think Lumax Industries and Lumax Auto Technologies are completely different with respect to their presence in the market. Lumax Industries is a one product, one partner entity, which continues to maintain its market leadership in the automotive lighting arena with Stanley as its joint venture partner of over 40 years.

The only lighting, which is an exception, which we do in Lumax Auto Technologies is for the Bajaj account, and that is for strategic reasons, and that has been well deliberated and understood by our lighting partners Stanley. Coming to Lumax Auto Technologies, I think this is a basket of multiple diverse subsidiaries, joint ventures and the endeavour is to continuously grow and garner a bigger slice of the opportunities that exist with the advanced technologies and the changing landscape of the automotive industry.

Auto Technologies is, again, as I said, it has got 9 different joint ventures and subsidiaries, which operate under it. Of course, the clients will be common because let's say, Maruti Suzuki or any other 2-wheeler big player like Hero or Honda Motorcycle/Scooter will continue to be serviced from both the entities. But clearly, both of them do have a lot of synergies in terms of the management team, in terms of the operational synergies.

However, they continue to coexist without any, so to speak, competition or overshadowing on each other spaces. Lumax Technologies remains extremely different company than Lumax Industries. And that's the understanding that we will still continue to grow at -- grow both of them separately and individually.

Nilesh Shah: I see. Okay. So your main point is that, see as you grow, right, you will have the chance, right, to enter new products, new clients, right? So what you are saying is that apart from lighting, most of these growth pursuits will happen in Lumax Auto, right? Is that the broad idea that I should sort of take away from this? Because what you're saying is Lumax Industries is focused

on one product, which they will then do across clients versus Lumax Technologies, sorry Lumax Auto is a multi-product company, and you will do various products with various partners and clients.

Anmol Jain: That's correct.

Moderator: The next question is from the line of Harshil Shah from AM Investment.

Harshil Shah: My question is for IAC. Sir what is the content per vehicle on the 3XO model?

Anmol Jain: Sunil, could you give that this what is the value per vehicle on the 3XO, all parts put together approximately just, I don't know, a range maybe.

Sunil Koparkar: 25%. (Mispronounced) INR25,000 value.

Anmol Jain: INR25,000 per vehicle.

Harshil Shah: And what will be that against like XUVs, something like XUV-700, is it the content per vehicle higher in case of parts?

Management: No, actually, the content, actually, we have our content on 3XO is a little bit less than 700. So actually, the content for 700 could be in upwards of INR33,000.

Harshil Shah: Okay. So this is around INR25,000. Okay. And my next question is on the -- like can you tell me -- you said other subsidiaries will grow at 40% to 50%. So which are the key subsidiaries here that you are considering?

Vikas Marwah: So Harshil, this is Vikas Marwah. The other subsidiaries that are slated to now grow at more than 40% to 60%, one, you would see a full year revenue of Lumax Ituran coming in for which we saw a big traction in Q4. That would be a full year revenue, and it should record more than 50% to 55% growth. Alps India will also register more than 50% growth in the coming years.

This is the ramp-up year now beginning for Lumax-Alps and besides this, the base being small, Lumax YOKOWO would be also growing by more than 50%. So these are the 3 subsidiaries besides IAC and besides the other two joint ventures, Lumax Mannoh, Lumax Cornaglia, which are rated for more than 50% growth.

Ankit Thakral: Just to cap it up, there will be a full year revenue of basically of Lumax Ancillary Limited, so which, so far we have considered as a part of our subsidiary. So out of 45% to 50% growth, 20% to 25% will be because of this full year impact of Lumax Ancillary.

Harshil Shah: Okay, sir. And what was the Lumax Ancillary contribution in this quarter, sir?

Ankit Thakral: So it was only a 2 months revenue, equivalent to INR30 crores. So there will be an additional, for example, INR150 crores for the next financial year.

Harshil Shah: Okay, sir. And sir, Cornaglia, with the plastic fuel tank business, can it grow like 30%, 40%?

Vikas Marwah: So as far as Lumax Cornaglia is concerned, their future 2 key growth drivers are going to be the plastic fuel tanks and the urea tanks. We are targeting 130,000 volume for urea tanks this year. In our budgeted business plan, we have also taken a volume of 20,000 plastic fuel tanks this year working with one major customer, which is Tata Motors. We are also hoping that plastic fuel tanks in the commercial vehicle segment moved on to being a regulatory kind of a product because regulation-driven product then has a higher traction like you are seeing in urea tanks, which is regulations driven right now.

So over the next 3 to 6 months, we'll be completely clear on the penetration of the plastic fuel tanks, but yes, it is a big focus area for us and 24 to 36 months down for Lumax Cornaglia, we see 40% of the total revenue of the joint venture coming from the tanks business. Okay.

Harshil Shah: And sir, any update on the stand-alone business, like the aftermarket Bajaj part, can the stand-alone business grow by more than 10% to 15%.

Anmol Jain: Yes, absolutely. I think in my earlier guidance, I did mention that the stand-alone business will continue to grow at about 15% plus, not just for the current year, but even going forward, I think as I mentioned, Bajaj Auto, we have made inroads into their electric vehicle platform, which will -- the volumes will start kicking in. Also, we have entered the premium piping space where the volumes may not be significant, but the value per vehicle is much higher than that of a traditional model as well as we are in the discussions, how do we get into the Pulsar platform, which is one of the highest selling platform. So that's on the judge.

On the aftermarket, as I mentioned, the current year itself, we are looking at anywhere around 20% plus growth and that's largely because we do see a good uptick in the aftermarket, yes, cash flow realization still continues to be a bit of a challenge, but I think this growth is coming largely on new products, which we are going to launch in the aftermarket in the subsequent quarters.

Harshil Shah: Okay. So how much -- how was the Bajaj Chetak can add to the stand-alone entity, Chetak business?

Vikas Marwah: So this year, we are targeting around about INR15 crore increase coming in from this particular entry. Also, we are happy to share with you that for Bajaj Auto now being a strategic supplier at their Pune location especially on the EV Chetak platform, we have been invited to come inside Bajaj for their ED coating processes.

So the Lumax team is now moving into the Bajaj premises doing the coating inside the ED quoting inside the Bajaj premises, which would add also more revenue. It's a first-time shop-in-shop concept with Bajaj as initiated with any strategic suppliers that Lumax Auto Technologies has been selected for this.

So going ahead, this could be a higher traction. It's an absolutely new business model for us.

Harshil Shah: Okay, sir. And sir, last 2 questions. One is on the amount of debt that we are raising, like we are not paying off the debt. So are we looking at any acquisitions. Like we are always on a lookout for acquisitions. But is it like -- have you shortlisted anything? And the other question is on the IAC breakup of IAC revenues if we can have.

Anmol Jain: So on the acquisition part, I think, as I've always mentioned, Lumax Technologies always continues to scout for future opportunities, which synergize with its core competencies and strength. As we speak, again, I cannot divulge any details. But yes, the company is always evaluating anywhere between 2 to 3 opportunities, which is the current state as well. But again, if something fructifies, we will make sure we, at the right time, make it public.

Number two, on IAC India, you said the breakup. So Mahindra & Mahindra continues to be our largest customer at about 70-odd percent contribution to the total pie of IAC India, followed by Maruti Suzuki and then Volvo -- Volkswagen and Volvo Eicher.

Harshil Shah: Okay, sir. Maruti will be around 10% -- 10% - 15%.

Anmol Jain: Yes, it's about 10% to 12% would be the share of Maruti Suzuki.

Harshil Shah: And sir, any scope of Maruti share improving going ahead, like have we cracked any model or any of that sort?

Anmol Jain: Absolutely. I think we continue to have an order book for the future model at a part and component level supplies for IAC, but I think the endeavour is if we can get into a modular supply to Maruti Suzuki similar of that what we do for Mahindra & Mahindra. So there are active discussions ongoing, but it may take some time to again, be fructified, but I'm hopeful that they are being steered in the right direction.

Moderator: The next question is from the line of Pritesh Chheda from Lucky Investments.

Pritesh Chheda: Sir, how much will IAC grow in FY'25 based on the schedule that you have and new product line of M&M? Your margins moved from the first quarter at about 11% to 14% and there is this IAC merger as well. So if you could tell us the margin range for the Lumax base business of IAC and what will be the margin range for IAC?

Anmol Jain: So on the IAC growth, as I mentioned earlier, we are expecting about a 15% to 20% growth for IAC in FY'25 based on the current visibility of the models as well as the volumes. In terms of the EBITDA margins of the stand, let's say, without IAC business, we've been consistently hovering at around, a, give or take, 12% EBITDA margin, and we do expect this to grow in the current fiscal FY'25, grow in terms of expansion of margins. I would not be able to give you the exact number, but I would perceive that it should be anywhere closer to 13%.

In terms of the margins on IAC, I think, again, on a sustainable basis, I still feel that anywhere between 15% to 16% should be a sustainable EBITDA margin for IAC India.

- Pritesh Chheda:** And what was this margin in '25 sorry '24 for IAC?
- Anmol Jain:** For the year gone by FY'24.
- Pritesh Chheda:** Yes.
- Ankit Thakral:** Margin of IAC was. The margin for FY '24 was closer to 20% but there were certain onetime corrections and certain price corrections from the customer during the year. It was the first year that the IAC India came under the umbrella of a listed entity. So there were certain changes in accounting policies and which were basically suggested by the auditors. So there were certain only the -- you can see that certain amendments and corrections. But way forward, the sustainable EBITDA will be closer to 15% to 16%.
- Pritesh Chheda:** So your FY'25 combined margin will be most likely lower than FY'24 considering this correction?
- Ankit Thakral:** So as of now, there is an exact number, we cannot comment, but it could be somewhere closer to the current year margin, which the company has achieved as a whole, including IAC, between 14 to 15%
- Pritesh Chheda:** Okay. And on the capacity side, how are you placed on capacities for this growth in IAC and your ex IAC, the original business?
- Anmol Jain:** I think IAC, as was mentioned earlier, that we are stretched on capacity, and there are already 2 expansions, which are underway, and there is a probably capex outlay of around INR50-odd crores for IAC India in FY '25. Outside of IAC, I think, again, it would be too generic of a question because we have multiple product lines and multiple capacity utilizations. But in certain products, we would be as high as 80%. And in certain products, we would probably be operating at even 60%, but again, to deliver the order book of almost INR920 crores, as I mentioned, the capex outlay for FY '25 for the Lumax Auto Technologies as a whole would be anywhere between INR150 crores to INR175 crores.
- Pritesh Chheda:** Okay. So at least in FY '25, you were not constrained by capacity for this 15%, 20% growth that you're mentioning. You will have the capacity coming up during the year and would be able to suffice the 15%, 20% growth.
- Anmol Jain:** No. Well, we do have capacity constraints. And hence, we are investing even to realize the FY '25 growth because of almost 20% to 25% of this order book will actually come into the revenue stream in FY '25 itself. So there are pockets where we are expanding capacity. And hence, I gave a guidance of around 20% to 25% revenue growth for the overall entity at a consolidated level.
- Pritesh Chheda:** Your Lumax growth is 15% and your IAC growth is 15% to 20%, and our overall company growth rate is 2025. So which of the piece is growing faster there?

Anmol Jain: I think was mentioned, the stand-alone is growing 15% to 20%. IAC is growing 15% to 20%, but then there is an aftermarket, which is growing at a much faster rate. And there are also the other subsidiaries and joint ventures which are growing at almost 40% to 50%. And hence, the consolidated number is more like a 20% to 25% of growth.

Moderator: The next question is from the line of Neeraj from DAMAC Properties

Neeraj: My question, as you pointed to the last participant that our subsidiaries will be growing at a faster pace. So -- and as that will happen, I understand the minority interest part in the P&L, it will grow at a faster clip and over the past few years, we have noticed that the profit attributable to the company as a percentage split has come down from 85% to 78%. So how should we think about the growth at attributable profit level?

Ankit Thakral: So, if you see the profit after tax before minority so now it has settled at, say, for example, closer to 6%, 6.5%, which is effectively the 75% of my profit before tax, now profit after tax after minority, say, for example, reduced as compared to previous year. It is mainly because of the higher margin of IAC business as compared to the stand-alone say, profitability margin with respect to this financial year.

So going forward, in the next financial year, there is a growth in stand-alone business also and the profitability margins of the IAC and other, you can say, that the other subsidiaries will more or less stay at a sustainable EBITDA as compared to the current financial year. So the profit after minority will be, say, for example, between the line with respect to the one year back or two years back.

Sanjay Mehta: And also, there is an addition of the wiring also INR150 crores. So that will also add into profit of the stand-alone entity.

Moderator: The next question is from the line of Amit Hiranandani from SMIFS Limited.

Amit Hiranandani: On the IAC India margin guidance, so generally 20% what we are doing. So suddenly, you're guiding for 15% to 16% due to accounting changes. Can you just briefly explain what is the accounting change, which is actually dropping this margins so much?

Ankit Thakral: So there was a change in policy on account of the tooling accounting. Earlier, the accounting was based on the POCM basis, basically the -- what is called as a percentage of completion. Now it has been shifted to CCM basis, which is the completion basis. So accordingly, the impact of that has been taken in financial year'24, so it is because of this reason, the margins in the financial year'24 were considerably higher.

Amit Hiranandani: Understood. And sir, for Q4 EBITDA margin, which is basically, I mean, one of the lowest margins in the last 4 quarters. Is this due to drop in the IAC India's margin on a Q-on-Q basis and inclusion of Lumax Ancillary?

- Ankit Thakral:** So just to clarify, the consolidated EBITDA margin for the company as a whole was 14% in Q1, 14.2% in Q2, 15.8% in Q3, that was, as earlier explained, only due to the certain price corrections of -- in IAC and this accounting policy change and it is 14.5% in Q4. So across the quarters, the profitability margin has been consistent and which has resulted into the 12-month profitability margin of 14.6%.
- Amit Hiranandani:** Sir, if you exclude the other income, so the EBITDA margin for Q4 is 12.1%.
- Ankit Thakral:** Other income is, again, due to this certain -- you can say that the reversal on account of tooling that has happened in IAC India in this particular quarter.
- Amit Hiranandani:** And sir, what would be the outlook if you can give for FY '25 and the target for the next 3 years?
- Ankit Thakral:** So for FY '25, as just earlier explained, even if we basically consider the one time corrections in financial year'24 due to the expansion in margins of stand-alone entity as just explained by Anmol sir, so we will be looking at a similar margin in FY'25 with respect to FY'24. It will be closer to 14% to 15%.
- Amit Hiranandani:** Any aim for the next 3 years?
- Vikas Marwah:** So the 3-year mix would significantly be impacted as the product mix changes. If you see the total Lumax Auto Technologies product kitty today. And when we say the fastest growth is probably coming from the base that has been small of various joint ventures like Lumax Ituran, Lumax Cornaglia, Lumax YOKOWO, Lumax Alps. There's a higher penetration of mechatronics and sensors and switches and EV-related products that's coming. So hard to put a number right now. But for sure, we will be on a positive traction going upwards year-on-year.
- Anmol Jain:** I'll just add to that. I think the first endeavour for us was to bring the overall margin at teen EBITDA level. Of course, IAC India has helped that cause, but also the business without IAC slowly but consistently move closer to the 13-odd percent mark. And that is our endeavour to try and achieve that and cross that in the coming years.
- I think apart from that, we are very carefully watching that the order book of almost INR900 crores, INR920 odd crores, which is sitting on, we are taking those orders fairly at a considerably better EBITDA margin than that of the current entity as a whole. So as and when those order books come into the revenue stream over the next 2 to 3 years, the margins are likely to improve and expand automatically.
- Amit Hiranandani:** Great. Just one last question. Is the group looking to add another product, especially component for electric vehicle? Or the first focus is to consolidate and grow the existing subsidiaries?
- Anmol Jain:** We are always looking out for future opportunities, not just specific to electric vehicle, but also for alternate power train products.

It could be in hybrid technologies. It could be in CNG technologies. It could be in other powertrain lines as well. But again, as Vikas mentioned, the focus remains clear in electronics and mechatronics, we see a huge upside with new advanced technologies coming into the future models and we are well positioned with our current partnerships and if required, we will definitely create more partnership going forward as well.

Moderator: Ladies and gentlemen, due to time constraint, that was the last question for today's conference call. I would now like to hand the conference over to the management for their closing comments.

Anmol Jain: Well, I take this opportunity to thank everyone for joining into the call. We will keep the investor community posted on a regular basis for updates on your company. I hope we were able to address all your queries. For any further information, please do get in touch with us or Strategic Growth Advisors, our Investor Relations Advisors. Thank you once again, and have a good afternoon.

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