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"Lumax AutoTechnologies Q3 FY2018 Results Conference Call"

February , 2018

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MANAGEMENT: **MR. ANMOL JAIN – MANAGING DIRECTOR**
MR. DEEPAK JAIN - DIRECTOR
MR. SANJAY MEHTA- DIRECTOR AND GROUP CHIEF FINANCIAL OFFICER
MR. ASHISH DUBEY – CHIEF FINANCIAL OFFICER
MS. PRIYANKA SHARMA - HEAD CORPORATE COMMUNICATION
SGA - INVESTOR RELATIONS ADVISOR

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Moderator: L d es nd gen e en good d y nd e co e o L x A o ec no og es L ed Q3 FY20 8 E rn ngs conference c . As re nder p r c p n nes be n e s en-on y ode. ere be n oppor n y for yo o s q es ons er e presen on conc des. s conference c y con n for rd oo ng s e en s bo e co p ny, c re b sed on e be efs, op n ons nd expec ons of e Co p ny s on e d e of s c . ese s e en s re no e g r n ee of f re perfor nce nd n o e r s s nd ncer n es re d ff c o pred c . o d yo need ss s nce d r ng e conference c , p e se s gn for n oper or by press ng *' en 0" on yo r o c one p one. P e se no e s conference s be ng recorded. no nd e conference o er o Mr. An o n, M n g ng D rec or of L x A o ec no og es L ed. n yo nd o er o yo r

Anmol Jain: A ery r e co e o e Q3 FY20 8 e rn ngs c of L x A o ec no og es L ed. A ong e on s c , e Mr. Deep n, D rec or, Mr. n y Me D rec or nd ro p CFO, Mr. As s D bey, CFO, Ms. Pr y n r e d Corpor e Co n c on nd A, O r n es or e ons Ad sor. e res s nd presen on re p o ded on e oc Exc nge nd e Co p ny ebs e. ope e erybody s d c nce o oo t.

In the coming quarters, we also have aggressive product development plan, where we shall be witnessing over 10 new product launches in the after market. Let me take you through the performance of each business entity.

The standalone entity caters to the after market, majority of which is lighting module. We also manufacture chassis for two wheelers, plastic modules and PCB assembly. The major customer continues to be Bajaj Auto and Honda Motorcycles and Scooter India. The company has recently added the following new models for existing products as well as new products during the quarter. For Bajaj Auto - the new Avenger LED head lamp and the new Discover head lamp with daytime running lamp. For Maruti Suzuki Swift - the PCB for LED tail lamp and LED high mount stop lamp and for Hero MotoCorp, for Passion Pro model - the PCB for the LED tail lamp.

The Chairman of the company also received the TPM Excellence Award from its esteemed customer Bajaj Auto in the month of January 2018.

Lumax DK Auto Industries, a 100% subsidiary of the company manufactures light and plastic module. Bajaj is one of the major customers for the subsidiary. The company is in continuous process of adding new customers as well.

Lumax Cornaglia Auto Technologies is a 50:50 JV between Lumax Auto Technologies and Cornaglia, Italy. The JV manufactures Air Intake system and the major customers are Volkswagen, Tata, Fiat and Skoda. The JV commands the 100% share of business with Volkswagen and Tata Motors. In this quarter, as informed we already received LOI for supply of air intake systems from MG Motor India and also an LOI from Tata Motors for the development of [illegible] for the light and heavy commercial vehicle.

Lumax Gill-Austem Technologies is a 50:50 joint venture between Lumax Auto Technologies and Gill-Austem LLP. The JV manufactures seat frames and seat mechanisms and is a Tier 2 supplier through Lear and Adient. The company is in the continuous process of adding new customers for its seat frame business.

Lumax Mannoh Allied Technologies is 55% subsidiary formed in collaboration with Mannoh Industrial Cooperation, Japan. The entity manufactures gear shifters and parking brakes. The company has a market leadership position with this segment with approximately 70% market share in India. The company has commenced supply from its new plant in Gujarat to MG Motor and Suzuki Motors Gujarat. We are witnessing a migration from manual gear shifter towards automatic shifters, which would help the subsidiary to achieve strong growth in revenues in the coming years.

The company has ceded the management control of its stepdown subsidiary company, Lumax IPAL Engineering Private Limited in favour of joint venture partner, IPAL, Italy on January

, 20 8. s, s co p ny no beco e n ssoc e co p ny n ccord nce nd-A 28 n e d of s bs d ry n s bseq en cco n ng per od.

e r p d y c ng ng trends n e o e nd s ry re presen ng e o nc ry co p n es ne c enge e c d y, b o r s re e pos oned o c er o e c ng ng de nds of e nd s ry nd e re so conf den of gro n e co ng ye rs. No o d e o ndo er e ne o Mr. n y Me ro p CFO o pd e yo on e f n nc perfor nce of e co p ny.

Sanjay Mehta: ood ernoon e eryone. Le e e yo ro g e f n nc perfor nce for e co p ny. D e o pp c b y of nd-A effec fro s f n nc ye r, e res for Q e been prep red n co p nce cco n ng s nd rd nd ccord ng y correspond ng f g res e been res ed o e e co p r b e. Q FY 8 conso d ed f n nc perfor nce, e conso d ed re en e s ood Rs.2 Crores g ns Rs.220 Crores Q ye r p by 2 % on ye r-on-ye r b s s ed by pro ed er r e s es nd ncre sed o e of or c s o ers of e co p ny s B A o L ed, ond Mo orcyc es nd coo ers nd L ed nd M r z nd L ed.

e co p ny repor ed EB DA of Rs. 0 Crores s g ns Rs. 8 Crores for Q FY20 EB DA rg n s ncre sed by 2 0 b s s po n s o 0. % g ns 8. % n ye r rge y on cco n of be er oper ng eff c enc es nd pro ed perfor nce of e s bs d r es nd s. e prof er x nd nor y n eres s ood Rs. Crores n Q s ye r s g ns .2 Crores ye r. e PA rg n s pro ed by 280 b s s po n s o . % g ns .9% n ye r. ere s g x on e P n n g r p n s no onger exe p ed for x benef fro s f n nc ye r. e co p ny se re en e bre p re s fo s. -

L x A o s nd one s concerned, e re en e s ood Rs. 5 Crores s g ns Rs. 00 Crores n Q ye r, gro of 5 % EB DA rg n 9.9%. L x D A o re en e for Q s ood Rs. 8 Crores g ns Rs.85 Crores ye r dec ne of 8% ne r do b e d g EB DA rg n. L x Corn g re en e s ood Rs. Crores g ns Rs.9 Crores ye r gro of % EB DA rg n n d do b e d g . L x M nno re en e s ood Rs. Crores g ns ye r of Rs.2 Crores, gro of 2 % EB DA rg n n d do b e d g . No e open e c for q es on.

Moderator: n yo r. L d es nd gen e en e no beg n q es on nd ns er sess on. L d es nd gen e en e for o en e e q es on q e e sse b es. e f rs q es on s fro Deep n fro b en res. P e se go e d.

Deepak Jain (Shubkam): e o r. C n yo g e s e rep ce en r e gro for s q er?

Anmol Jain: For Q ?

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Deepak Jain (Shubkam): Yes r.

Anmol Jain: e rep ce en r e gro t for Q3 s 9% co p red to Q2, t e Q2 of t e c rren f sc t o Q3 b t f yo co p re on ye r-on-ye r b s s, t s nds 22%.

Deepak Jain (Shubkam): r no er q es on s on yo r s pp y t o z r , so c prod c s re yo s pp y ng?

Anmol Jain: e re s pp y ng t e ge rs f e er for t e f , c s been recen y prod c on zed nd s r ed t e r F c t y of z .

Deepak Jain (Shubkam): r e t e t o c ge rs, c t n yo ere s pp y ng t o B eno, so t s no t ere n t e f . re yo re no presen n t e f n t seg en ?

Anmol Jain: C rren y e e s r ed t o s pp y t e n t r ns ss on of t e f nd go ng for rd e re n t o c t M t z for de e op ng bo t t e t o c ge r s f ers for t e r for t co ng ode s nd r n s nd so n d og e t t e t o poss b y s t r de e op en of t e AM s f ers for so e of t e r ne ode s.

Deepak Jain (Shubkam): o M t e o d s be por t ng t ese prod c s for f ?

Anmol Jain: s correc t ey o d s be co ng s C D nd t t e t ey o d prob b y e oc z on p ns. c t e co p ny s re dy d sc ss ng t t e c s o er.

Deepak Jain (Shubkam): econd y, n t o no t e B x on conso d ed re en es nd so o c p t co e once B s f s ? be e e t ere s so e cco n ng s f n o t ey boo t e r re en es, so o d be t e p c on t e t op ne?

Anmol Jain: As t t c s o er for s on t e n ne- on conso d ed b s s s nds pprox e y s.25 Crores, c s 32% of t e t o p e. C rren y t e cco n ng c nge s no ppened, b t go ng for rd e er s go ng t o be t e red c on on cco n of t p t be reco ered fro t e o er gro t n t er s of o er c s o ers s e , so e do no n c p e t t o t e se t b c on o r re en es go ng for rd n t e nex ye r.

Deepak Jain (Shubkam): s gro t of 5%-20% n sp t e of t s cco n ng d s en on op ne s s fe s b e?

Anmol Jain: Yes, e do oo for rd t o s r gro t of do b e d g t go ng for rd n Q s e s per ps n t e co ng f n nc ye r s e .

Deepak Jain (Shubkam): re nd t e bes t for t e f t re.

Moderator: n yo . Nex t q es on s fro n rd fro Ax s C p t . P e se go e d.

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Raunak Sarda: r co p e of q es ons. f rs s on yo r f yo c n s g g s e con en d fference be een yo r M nno s f s e n ge rs go ng o AM nd en A .. o c o d be e con en d fference?

Anmol Jain: o n er s of c rren x os c ose o 85% o 90% of e re en es o d co e o of n r ns ss on s f ers nd bo 0% o 5% o d co e o of e o c r ns ss on s f ers. s yo r q es on?

Raunak Sarda: No, e n yo r e s n o d cos X, o d be AM nd o d be A ?

Anmol Jain: e cos d fference be een n nd o c s ny ere be een x o 5x depends on e nd of e ec ron cs nd e nd of r ns ss ons nd ge r c nges, b ny ere be een x o 5x o d be e d fference nd go ng for rd e do see e r e s no s o y o ng o rds o c s f e ers ore n e n ones.

Raunak Sarda: g , so en yo re s y ng ne f s por ed AM , e AM o d be s ore expens e n yo re s y ng ? o d be e x o 8x of e n ?

Anmol Jain: s correc , o d be.

Raunak Sarda: econd s on yo r Corn g f oo e c s o er x, e do no e M n . nd en e do s pp y o M , o d fferen seg en , so d ff c s o ge s re of b s ness M nd s e o oo , s e rge yo e n nd en yo oo s b s ness seg en ?

Anmol Jain: e re eng ged M z fro L x Corn g po n of , nd ere re so e d sc ss ons go ng on o per ps e so e b s ness o oo n e co ng ye rs, y no necess r y be for o r ex s ng prod c ne, co d be for e en cer n ne prod c nes, b ye s d ff c nd ese ngs e e onger e n er s of ges on, so e n c p e s no poss b e, b e ry o r bes o ge M z s one of o r c s o ers for s .

Raunak Sarda: does e B e p s , e n, ne prod c s, o d ere be ery g e e of pre z on n e prod c s pp ed e ?

Deepak Jain: s s Deep n ere. Le e s e on e B s e s M nd Corn g so f nd en y s yo no e L x ro p s ery, ery s rong re ons p M z . e re dy e s gro p perspec e o b s c y prod c nes, c re y r e ders nd of co rse e ge r e s re. L x Corn g per se s y ng c be er oppor n y en e B e ss ons co e n bec se n s ore on e rend ng p r of n er s of g e g ng. ere re so cer n o er prod c ne, c b s c y goes n o e seg en nd z so y y n f re ge on o L

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segment. There are three things, which are spoken about in the opening address. Hence, there is definitely an opportunity on BSVI, but I think we are actually more excited about the BSVI opportunity, which is the lighting and this is where the CAC ducts and the fuel filling pipes filters would actually come in, so we definitely see a more rapid expansion of this in the coming years because of the trending of the BSVI, not necessarily just in 2020-21, but it can also be a little bit before because order realization may be a bit before 2020 March.

Raunak Sarda: Sure and finally my last question is on the two-wheeler LED penetration, which has suddenly seen a sharp increase in LED content in this also export and also to the two-wheeler products as well, so any OEM feedback that we have to make or is it aggressive and how does it benefit for you and the customers, Bajaj Auto, but if you can talk about the industry as a whole?

Deepak Jain: I think I can talk about industry and then we can talk towards specific into Bajaj Auto. Obviously the LED is sitting very strongly primarily this is not demanded, but this is due to obviously the BSVI also coming in, so expediting the LED adoption because in one more trend is also that lighting, another trend is actually energy efficient, so BSVI requires more safety and compulsory sensors probably to go into the vehicle not only for four-wheelers, but also to two-wheelers and hence this LED adoption coming because right now they would like to – they know that there is a technology that is being bringing, this is what consumers expect. So this adoption is very, very rapid. Lumax Group has also got penetration and also is adopted, however, most of the business captured in the other companies Lumax Autotech is basically Bajaj Auto and of course Bajaj Auto is also adopting LED headlamps as well as tail lamp, so that actually trend, which is going to continue in the industry and we are pretty well positioned to actually get this opportunity.

Anmol Jain: So, I just add to that if you see in the last quarter we have launched two models of Bajaj Auto as I mentioned in my opening book on the Avenger and the Discover, which has LED content in it, so again this is the new models coming with LED technology and since Lumax Autotech is a big supplier to Bajaj Auto for their lighting requirements, so the LED technology would add to actually come into the company.

Raunak Sarda: If I can squeeze in one more question, so this is say when we are supplying to the Avenger the LED headlamp, so what is the headlamp content in this, say the old generation and versus the current one and secondly what are the main competitors when you look at the two-wheeler, LED product portfolio?

Anmol Jain: So in terms of the LED content again there is nothing, which is imported, so the local content would primarily be a very high percentage. In terms of the pricing, it goes almost close to 2x to 2.5x times when compared to of a halogen bulb into a LED two-wheeler lamp. In terms of competitive landscape, I think pretty much all the two-wheeler lighting players you have nder, yo e roc, yo e F e o d be e ree b g co pe ors n e o ee er g ng sp ce for L x s gro p.

Raunak Sarda: Do yo expec s pr ce eros on o ppen, s ge p n er s of con en s pp ed, ny expec on on ere o d e ne pr c ng g se e?

Anmol Jain: e s d s o con n e, e do no expec s o re y go do n, e expec bec se ere s d fference n eng neer ng nd ec no ogy n o ed n e LED p, so e pr ce d fferen be een ogen nd LED o d def n e y con n e.

Raunak Sarda: s good ne s for e nd s ry. n yo .

Moderator: n yo . Nex q es on s fro e ne of es o r fro A fAcc r e Ad sors. P e se go e d.

Rajesh Kothari: ood ernoon r. My q es on s yo en oned e en er cons der ng e B A o c nge n e odo ogy yo repor bo 20% nd of gro , so s ry ng o nders nd o d be e or dr e for gro bec se cons der ng B s os 30% of yo r re en e?

Anmol Jain: d d no s y 20%, b d d s y e con n e o n n do b e d g gro go ng for rd s e . f yo see o r Q3 perfor nce on conso d ed b s s e repor ed 2 % gro nd Q s o d be s r gro s ory, b nex ye r s oo pre re for e o co en , b e def n e y o d n n do b e d g gro desp e e cco n ng c nge. Ans er ng o yo r q es on p r fro B A o, e e ery b s gro pro ec ed for e er r e s yo e seen s r gro n e Q3 nd e n ne on . e n spec f c y for Q3 n e er r e e e d rob s gro nd so ond o orcyc e, coo er nd nd so e M or e PCB b s ness g n s e r e s ore o ng o rds LED. e d rec y g n fro s s f nd recen y e e so en ered n o e ng r b s ness for B A o p r fro e c ss s, so b s ness s s n scen , s s e f rs fe on s e e been n prod c on, so e ge e nn zed o es nd e nn zed benef nex ye r, so c e y of ese d fferen seg en s o d gro nd s y s d desp e e cco n ng c nge e o d s n n do b e d g gro go ng for rd.

Rajesh Kothari: o e ng r b s ness, c recen y yo go fro B A o o b g s c n be nd o ere e s pp ers o B o yo rep ced?

Anmol Jain: e ere s s pp er, c en b n r p nd e e en o er b s ness n er s of B A o., e re c rren y c er ng o e A r ng b d F c y cer n odes B A o es n A r ng b d nd recen y s r ed ser c ng e P s r nd e A enger p for s, c re e b g o e dr ers. e n c p e go ng for rd e s o d be c ose o pprox e y s.30 o s. 0 Crores of re en e be ng dded by s prod c ne per ps n e nex f sc .

Rajesh Kothari: Ofco rse, one of e b gger gro dr er be ere n e L x nd s ry se f bec se ere s s gn f c n c nge c s ppen ng bec se of s LED?

Anmol Jain: s correc .

Rajesh Kothari: ders ood nd s yo r re en e gro beco es c s ronger desp e e B A o p c, do yo n e oper ng prof rg ns c n pro e f r er fro ere on?

Anmol Jain: e , yo e seen s f n e oper ng rg ns s e re no do b e d g EB DA e e nd f yo see co p red o s ye r Q3 ere s os n ncre se of ore n 2.5% n er s of rg n exp ns on, so def n e y e o d e o con n e e s e o oo n er s of rg ns for e co ng es.

Rajesh Kothari: F ne r. n yo ery c .

Moderator: n yo . Nex q es on s fro M n s B nd r fro C p . P e se go e d.

Manish Bhandari: ood ernoon An o . My q es on s reg rd ng e er r e s r egy nd n yo de no e ere s 0 ore prod c s n e b s e , so s n open rc ec re yo re p nn ng o fo o nd yo o d be se ng e er r e prod c s of o ny ore o er n f c rers or o s er r e s r egy o d p y o n nex o o ree ye rs nd nd of n es en s yo do need o do ere?

Anmol Jain: o e er r e s yo no s ery b g oppor n y nd pos , s e en beco e b gger for org n zed p yers e L x bec se pes o e norg n zed seg en o gre ex en . od y er r e s e n ber o c s o er bo % o % of e conso d ed re en es. o ng for rd e do n c p e ere o d be gro of e s 25% o 30% on n nn b s s nd ese 0 prod c s re no s g ng, b ey so sp n cross o er prod c ne e rrors nd f ers, so ere re no so o spe e de nd n er r e s no go erned by prod c on o e e n e OEM b s ness, so e er c e c n se e s o d be b e o se . n er s of e n es en s by b r e, e n es en o s es r o n er r e s c g er co p red o of OE, so e OE for s s n er ge bo .2.5, n e er r e o d be os do b e, so co d be .5, so e er e re n es ng n e er r e fe c c be er re en e nd so s nce e o er e d nd e n es en s esser, e rg ns so re c be er n e er r e seg en .

Manish Bhandari: Ano er q es on e s n s fe ye rs yo e gone n o r o s o n en res nd ne prod c nes so, so b s r gg ng o f nd o e o r e pr ce nd oppor n y for ese prod c s, so f yo co d ro so e g o . e e cs co d be nd f ere s ny

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c nge n e ns r nce r e dr es s nd nders nd yo r sr e n p ner s one of e rges r e s re n e e e cs, so c be fro e oxygen sensor po of , so f yo co d ro so e bro d n bers nd b g e oppor n es n ese r e s bec se c nno s ze ngs o d c nge n e B nd o r pr ce co d be nd en e g n so e r e s re s sep r e ss e, b b g s n oppor n y?

Anmol Jain: On e o recen y nno nced s e L x FAE nd e L x r n. On L x FAE s yo no fro Apr 2020 s nd ory o e n oxygen sensor on e ery o ee er. e expec e r e o be c ose o 00 Crores o ern g cons der ng e pr ce nd e cons der ng e n ber of b es nd s r e s ze by 2023 en e OBD d gnos cs oo co es n o p y o d do b e bec se en o d be nd ory o e o oxygen sensors, so Rs. 00 Crores r e o ern g beco e Rs. 200 Crores. e expec e o d be b e o e pe of e 0% of s r e n e f rs p se se f nd e re n d og e cer n ey c s o ers nd e re f r y cer n e o d be b e o ge s s ze of e p e o beg n nd ob o s y e effor s o d be o en f r er gro o per ps 5% or e en y be 20% n e co ng ye rs, so o d be e nd of po en for s nd g n s e n es en s re e o d be oo ng be er sse rno er r o. Co ng o r n, e e e e c s ze by 202 s es ed o be c ose o pprox e y $300 on or ro g y e s s y Rs.2000 Crores nd o r s rong p ner s yo en oned r n s p ner s ery, ery s rong n e e cs, e do expec o g n o s r off e 0% of s p e o e e by 2020- 202 .

Manish Bhandari: Any o er n ber yo o d e o ro for ny o er o n en re, c yo d no nd b g e s ze o d be?

Deepak Jain: o n f nd en y o r s before ge ng ny ne o n en res e s o d e e n bo 00 Crores re en e c e bo o ree ye rs nd ere co d be ob o s y d fferen r e oppor n es nd d fferen r e pene r ons for o r o n en res e oo depend ng on e prod c x nd prod c co od y. o ery recen y s s en oned PAL o n en re e e y ceded con ro o PAL s p ner nd e e dec ded e no be f r er n es ng n . re son be ng en e e en ered bo o ye rs go e ere oo ng nd of n oppor n y, b d e o cer n cons r n s on e o ern en of nd F n ecc n c c so s e p ner o PAL nd e c s o er o PAL, e do no see ppen nd ence e e y s op n es ng, e b s c y nd of e con ro nd foc s o r n ge en b nd d n y for ng ne o n en res, c c n y ddress o o ree ye rs 00 Crores re en e n o e recen s An o s exp ned FAE s e s b s c y e o n en re of r n e re def n e y expec ng s nd of re en e s ze b sed on e og c An o s y g en.

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Anmol Jain: o dd o Deep s d M n s c rren y f yo oo ny ne o n en re c re ge ng n o s Deep s d e o d def n e y oo res o d o n s. 00 Crores re en e e s n o o ree ye rs of prod c on, so e FAE nd e r n s o d g e s gro , so fro e c rren se of s, c e ec no og es s ng on y e L x Corn g nd L x A s e re nder e res o d of s. 00 Crores; o e er, e re ery conf den b sed on cer n order boo s, b sed on cer n eng ge en nd d og e cer n c s o ers bo of e s o d so s rp ss e res o d by 2020. o ese n o d dd o e gro nd e co p ny s ob o s y ys oo ng o for ne oppor n es for ne ec no og es, ne prod c nes, b g n r e of ry ng o e e res o d n e f rs o o ree ye rs o d re n.

Manish Bhandari: My q es on s no ce yo de one co en yo re oo ng for expor r for e ge rs, so s r e nd re yo exp or ng so e expor r s for e o c ge rs nd s poss b e n o r s re of ngs?

Anmol Jain: Abso e y poss b e, L x M nno en oy ery s rong n o se &D c p b y. Pre y c o r prod c s re des gned, es ed, de e oped n- o se n s ppor of e p ners nd s nce ere re no re res r c ons o r p ner e e no y ned e ders p pos on n nd os 0% p s r s re, so e nex s ep for s s o s oo ng e g ob ndsc pe nd e be oo ng o en er cer n ey geogr p es ere e fee e c n pene r e e r e o r ec no ogy bo for s e s o c ge s f e ers.

Manish Bhandari: n yo An o .

Moderator: n yo . Nex q es on s fro Ab s e n fro DFC ec r es. P e se go e d.

Abhishek Jain: Congr s for s rong se of n bers nd n s for ng y q es on. r s per e presen on, ere s s gn f c n gro n e s ee e b s ness, s for n rod c on of e s ng b s ness fro e B A o or ny o er re son?

Anmol Jain: No r s ng s one, b so e c ss s o es e en off be er. o f yo see on n ne- on conso d ed b s yo no see gro , b on q er- o-q er b s s yo s r o see os c ose o 8% o 0% gro , c s co ng n.

Abhishek Jain: nd of e g de nes do yo e for e s ee e b s ness, nd of e gro yo re oo ng for?

Anmol Jain: Nex ye r e def n e y do do b e d g gro for e s ee e bec se s s d e s ng nn zed re en es o d co e n, e re so n s so e o er prod c ne, d cen prod c ne o ge n o, o d no be b e o d ge e de s of ye nd so e re n s ry ng o exp nd o r s re on e c ss s b s ness, so c e y o d expect t defn t e y ndso e do b e d g t gro t s o d co e n for t e f rc on or t e s ee t e p of t e b s ness n t e nex fe q ers.

Abhishek Jain: s t e g n n t e s ee t e b s ness nd nd of t e pro e en Y-on-Y b s s?

Anmol Jain: e g ns o d be s r t o t e g ns re be ng repor ed t e co p ny e e , b g n t be er off t e of B A o nd be er c p c t y z ons, s yo no t B A o so s d ed gro t n t e f rs n ne on s, b e expec t t so e of t e ne er ode s, c t ey e recen y nc ed be er off e, c o d g e s be er c p c t y z on nd so be b e t o g e s so e p s on o r g ns s e .

Abhishek Jain: My nex q es on s re ed t o t e se fr e b s ness s re en e fro t e se fr e b s ness s no nc ded n t e t op ne, so c n yo p e se s re t e n bers for Q3 nd n ne on s?

Anmol Jain: re, so t e re en e for n ne on s on t e se fr e nd ec n s b s ness s nds s. 0 Crores, c s p by pprox e y 2% co p red t o t e s e per od s ye r.

Abhishek Jain: And n Q3?

Anmol Jain: n Q3 t s n ber s 2 Crores nd t e re son for t s t ere s end-of- fe of t e Ford Ecospor ode , so g n t e ode s been d scon n ed, t e o d ode nd t s y t e n bers e been t per ng do n n t er s of t e se fr e nd ec n s b s ness.

Abhishek Jain: o t s n ber s for t e 50% , s. 0 Crores?

Deepak Jain: t s t LGA b s ness, 50% of PA s conso d ed n LA L.

Anmol Jain: s re en e n ber s for t e 00% of t e en t y, t s s no t e 50% s re.

Abhishek Jain: r gross g n exp nded 00 bps seq en y, so re t e re sons?

Anmol Jain: o g n t ere f yo see t e gross g n s exp nded n y bec se of red c on n t e r er cons p on s e nd g n er e s en oned s d s rong gro t n Q3 nd er e essen y s be er g n percen ge co p red t o t e OEM b s ness, so t s been one of t e ey gro t dr ers of t e g ns s e .

Abhishek Jain: O y nd y q es on s re ed t o t e c pex p n, re yo r c pex p n for FY20 8 nd 20 9?

Anmol Jain: o e c rren y e no frozen o r p n for FY20 8-20 9, t e b dge s re s nder y, e o d be b e t o on y s re t ose de s n t e nex one or o on s, o e er, e do no c p e ny or c pex n t e co ng ye rs nd n t e c rren ye r for ex p e, e o d have incurred a capex of roughly around Rs.25 Crores till date, so we expect that similar capex to continue next year as well.

Abhishek Jain: Thank you Sir. That is all from my side.

Moderator: Thank you. Next question is from Mahesh Bendre from Karvy Equities. Please go ahead.

Mahesh Bendre: Thank you for opportunity. What is our capacity utilization as of now?

Anmol Jain: Any specific product which you are talking about because that would differ hugely from one product to the other.

Mahesh Bendre: In general?

Anmol Jain: In general, I would say it would be close to about 80%, in some cases it would be as high as 90 plus and in some cases may be as low as 75%, but on an average I would say it would be about 80%.

Mahesh Bendre: Sure and right the commodity prices are going up, they have moved up very sharply, have the OEMs have started taking price increases for the final product, so in this case of scenario do you anticipate any risk to our margins?

Anmol Jain: Not really because we have some bit of bit understanding on account of the commodities and there all other price movements with most of our OEMs and again there could be a delay in the settlement by a few months, however, in principle all the OEMs would be compensating in terms of the escalation and whenever there is a reduction we do pass on that reduction as well, so the margin would be largely protected on account of commodity price change.

Mahesh Bendre: That is helpful. Thank you Sir.

Moderator: Thank you. Next question is from Apurva Mehta from [illegible] Shares & Securities. Please go ahead.

Apurva Mehta: Sir, congrats on very good set of numbers. Sir, just a question why this share of profit and loss from JVs is negative to the tune of Rs.95 lakhs, is it primarily because of this Ford Ecosport order?

Anmol Jain: So you are talking about the Rs.95 lakhs, so this was a global setup for Ford Ecosport and there has been some understanding between our JV partner with our customer Lear to have a certain price reduction or to give a price discount on the entire life of the project on a global standpoint. So since this is a contract or since this is a commitment made by our foreign partner the impact of the JV standalone stands at almost 2. Crores. However, Lear is a very big customer for us and

[redacted]

e e so e ery strong order boo t t e go ng for rd, so f you see t e cro p cture t n t o d no e s c b g d fference.

Apurva Mehta: o go ng for rd t s turn prof t be fro Q on rds bec se eep order s so t ere?

Anmol Jain: Correct, t e eep order s re ns t s nd e re ctu y spe ng t ut p e cust o ers bec se t e se fr e bus ness s oo ng strong, so yes e do expect t t n t e co ng qu rters e s ou d be report ng prof t b e nu ber better t n tod y.

Apurva Mehta: r on t e LED s de, r en do e expect t e c nge t o ppen for B . t be fro 20 9-2020 or t be fro 2020-202 ?

Anmol Jain: No t e LED c nge t B s re dy nder y s ent oned re dy t e e re dy de e oped t o ps n t e s q rter bo for t e A enger nd t e D sco er bo e content of LED n t nd e e been produc ng nd supp y ng LED ps t o B A t o n our P n g r F c t y for os c ose t o t o t ree ye rs no on t e D sco er s e s t e Mode s, so g n t s not t B A t o does not e LED presence n t e r ps, t s s t ene er ne ode s be ng de e oped e do eng ge t t e nd f B A t o s t o go do n t e LED route, e ob ous y ge t t bus ness bec se of our strong re on t B A t o nd supp y ng of g t ng t o A r ng b d s e s P n g r t .

Apurva Mehta: n s o t .

Moderator: n you. Next quest on s fro D pen . nd d n est or. P e se go e d.

Dipen Shah: Good ternoon nd congr s for good set of nu bers. Most of t e quest ons e been ns ered. ust need one c r f c on, you ent oned t e ent e next ye r e re oo ng do ub e d g t rg n prob b y cont nu ng. No t ere be pos t e p ct on t e rg ns so bec se of t e B A t o ccount ng c nge ere t s re enue e go do n nd ence rg ns ou d prob b y pro e, so c n you ust y be g en so e sort of b t y n ter s of rg ns exc ud ng t s ccount ng c nge er e be ng dou b e d g t e en exc ud ng t s ccount ng c nge or t s nc ud ng t s ccount ng c nge?

Anmol Jain: o pos t t e ccount ng p se of r s p ct ou d be s ent oned on y t o t e tune of bout s. 0 o s.80 Crores, so f you oo conso d ted ent t y of o er s. 000 Crores, t e p ct beco es not s s gn f c nt . t s on y bout 8%, %, but t e rg ns, c t ng bout nd e ou d e t o cont nue nd sust n t e current rg ns nd fur t er pro e on t ou d be pos t t ese ccount ng c nges.

Dipen Shah: O y. n you ery uc .

[redacted]

Moderator: n yo . As ere re no f r er q es ons, no nd e conference o er o Mr. An o n for c os ng co en s. O er o yo r

Anmol Jain: e o d e o n yo o n ng n o e c . ope e ere be o ns er yo r q es ons. For ny f r er q er es yo y p e se ge n o c s or A. e be ppy o ddress yo r q er es. n yo ery c once g n.

Moderator: n yo ery c e bers of n ge en . L d es nd gen e en on be f of L x A o ec no og es L ed conc des od y s conference c . n yo for o n ng s nd yo y no d sconnec yo r nes.