"Lumax Auto Technologies Limited
Q2 & H1 FY 27 Earnings Conference Call"
October 27, 2026

MANAGEMENT:

- Mr. Deepak Jain – Vice Chairman
- Mr. Anmol Jain – Managing Director
- Mr. Sanjay Mehta – Director & Group Chief Financial Officer
- Mr. Vikas Marwah – Chief Executive Officer
- Mr. Sunil Koparkar – Chief Executive Officer, Intelligent Ambient Comfort Division
- Mr. Ankit Thakral – Chief Financial Officer
- Mr. Naval Khanna – Corporate Head, Taxation
- Ms. Surabhi Chandna – Group Head of Investor Relations & Value Creation

Moderator: Ladies and gentlemen, we welcome you all to the Q2 and H1 FY 27 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 expectations of the Company as of the date of this call. These statements do not guarantee the future performance of the Company and 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 "*" then "0" on your touch-tone phone. Please note that this conference is being recorded.

Now I hand over the conference to Mr. Anmol Jain, Managing Director. Thank you, and over to you, sir.

Anmol Jain: Thank you. A very good afternoon, everyone, and thank you for joining us for Lumax Auto Technologies Limited Q2 and H1 FY 27 Earnings Conference Call. It's always a pleasure to welcome you all.

I'm joined by our leadership team today, including Mr. Deepak Jain, Vice Chairman; Mr. Sanjay Mehta, Director and Group CFO; Mr. Vikas Marwah, CEO of the Company; Mr. Sunil Koparkar, CEO of the Intelligent Ambient Comfort Division; Mr. Ankit Thakral, CFO of the Company; Mr. Naval Khanna, Corporate Head, Taxation; and Ms. Surabhi Chandna, Group Head of Investor Relations and Value Creation, along with our Investor Relations Advisors, SGA.

We have uploaded our earnings presentation on stock exchanges and the Company's website. I do hope everybody had an opportunity to go through the same. Before discussing the Company's performance, let me briefly touch upon the broader economic environment. The global economic environment remains challenging with the ongoing conflict in the Middle East creating uncertainty across markets.

The war has pushed up energy and commodity prices, disrupted shipping routes and supply chains and increased transportation costs for businesses. These factors are also adding to inflationary pressures and weighing on global growth.

According to the IMF's October 2026 outlook, global GDP growth is projected at 3.1% for 2026, while global inflation is expected to rise to 4.7%. The outlook remains uncertain, with the duration of the conflict and its impact on energy supplies and global trade being key factors to watch out for.

India, too, is feeling the impact of this global environment, particularly through higher energy prices and inflationary pressures. However, the domestic economy continues to remain resilient, supported by robust consumption, Government spending on infrastructure and sustained investment activity.

For businesses like ours, the focus will remain on managing costs, maintaining operational efficiency and continuing to invest for long-term growth while navigating the evolving environment.

Speaking of the automotive industry, the sector continued to witness a very healthy growth in Q2 FY 27, supported by improved affordability following the GST (Goods and Services Tax) 2.0, a resilient rural and urban demand, healthy freight movement, infrastructure-led activity and a gradual recovery in the replacement cycle.

Input costs, including crude-linked polymer prices, electronic parts costs, freight and rupee depreciation, however, remain a key monitorable. As per SIAM (Society of Indian Automobile Manufacturers) production data for Q2 FY 27, all automotive segments recorded healthy year-

on-year (y-o-y) growth, although the lower base in the previous year also contributed to the strong numbers.

Overall industry production grew by 19% on a y-o-y basis to 106 lakh units. Passenger Vehicle (PV) production grew by 25% y-o-y to around 17 lakh units. 2-Wheeler production also increased by 17% to 81 lakh units, supported by strong scooter demand.

3-Wheeler production grew by 25% to around 4.5 lakh units, driven by electric 3-Wheelers and rising demand for the last-mile mobility. Commercial Vehicle (CV) production also increased by 34% to 3.5 lakh units, supported by infrastructure spending and healthy freight movement.

Looking ahead, we do expect growth to moderate somewhat in H2 FY 27 as the industry moves past the lower base of H1 and the full benefit of GST rate cuts gets reflected in demand. The festive season will be an important monitorable, particularly in assessing whether the current demand momentum sustains. At the same time, the ability of manufacturers to manage rising input costs and pass them on to customers will remain important for profitability.

Speaking of the performance of the Company, we have delivered another strong quarter with healthy growth in revenue and profitability. Q2 FY 27 revenue stood at INR 1,556 crore, up by 35% y-o-y and 14% quarter-on-quarter (q-o-q). EBITDA grew by 34% y-o-y to INR 228 crore, with a margin of 14.7%, broadly stable on a y-o-y basis. The Profit After Tax (PAT) for the quarter stood at INR 117 crore, registering strong growth of 50% y-o-y.

For H1 FY 27, revenue stood at INR 2,919 crore, up 34% y-o-y. EBITDA grew by 42% to INR 434 crore, with margins of 14.9%, an expansion of 90 bps (basis points), while PAT grew by 64% to INR 215 crore.

Coming to the order book, it has grown to INR 1,879 crore at the end of Q2, up from INR 1,600 crore at the end of Q1 FY 27, providing a healthy visibility for the business going forward. Of this order book, approximately 14% is expected to be executed in FY 27 itself, 59% in FY 28 and the remaining 27% in FY 29.

Advanced Plastics continues to contribute the largest share at 44%, followed by Mechatronics at 27%, Alternate Fuels at 20% and Structures & Control Systems at 8%. Around 85% of the order book is new business. By powertrain, EV (Electric Vehicle) and CNG (Compressed Natural Gas) together accounts for 29% of the order book, with CNG at 20% and pure EVs at about 9%, while new future technologies account for 22% of the total order book.

At Lumax Greenfuel Energy Solutions, we are pleased to report that the Nashik facility has commenced production in Q3 FY 27, the ongoing quarter, supplying ferrule-less tubes and fittings and receptacles to Mahindra & Mahindra.

At its meeting on 24th October, 2026, the Board approved the setting up of a new Mechatronics manufacturing facility at Manesar in Haryana, with a capital outlay of around INR 150 crore to be funded through a mix of debt and internal accruals.

The facility will manufacture advanced electronic components such as the Body Control Module (BCM) for leading OEMs (Original Equipment Manufacturers). It is expected to be commissioned in 2 phases, starting Q3 FY 28, with a peak annual turnover of around INR 500 crore post-commissioning.

In closing, while we remain watchful of the geopolitical environment and energy price volatility, the overall demand environment and industry outlook continue to be favourable, giving us confidence for the near term.

In the long term, our compass remains our 20.20.20.20 North Star, aiming for a 20% revenue CAGR between FY 25 through FY 31 and inching closer to a 20% EBITDA margin over the next 5 to 7 years. By FY 31, we aspire to more than double our current revenue base to around INR 11,000 crore, fuelled by a blend of organic excellence and strategic inorganic opportunities.

With this, I would now like to hand over the call to Mr. Ankit Thakral, the CFO of the Company.

Ankit Thakral: Thank you, sir. Good afternoon, everyone, and thank you for joining us today. The first half of FY 27 has been defined by sustained operational and financial excellence. Q2 continued the robust trajectory established in Q1, successfully translating our strategic alignment into strong revenue gains and EBITDA expansion, further solidifying the strength of our diverse and well-balanced portfolio.

Let me now take you through the key operational and financial highlights for the quarter and six months. The consolidated revenue stood at INR 1,556 crore for Q2 FY 27, first time crossing the INR 1,500 crore mark in a single quarter, thereby registering growth of 35% y-o-y. And with respect to six months, up by 34% to INR 2,919 crore, led by consistent scale-up across all product lines and premiumization-led value enhancement.

On the profitability front, EBITDA for Q2 FY 27, including other income, stood at INR 228 crore, up by 34% y-o-y. This translated into margin of 14.7%, broadly stable y-o-y. However, on q-o-q basis, there is a marginal decline in margins, which was only due to rising input costs and its recoveries from OEMs. This means that the sales and costs has increased by a similar amounts, leading to slight dilution in margin.

For H1 FY 27, EBITDA stood at INR 434 crore, up by 42% y-o-y, and margin expansion of 90 bps from H1 FY 26. Profit Before Tax (PBT) for six months stood at INR 286 crore, up 60% y-o-y, with a margin of 9.8%. PAT before minority interest for six months stood at INR 215 crore, registering an impressive y-o-y growth of 64%.

The effective tax rate continues to remain around 25%, which is also expected to hold at similar levels going forward. The share of minority interest for six months stood at 11% and is expected to be in a similar range going forward, considering the existing structure.

With respect to division-wise breakup, beginning with Advanced Plastics, this segment recorded a strong y-o-y growth of 45% in H1 FY 27, with revenues increasing from INR 1,138 crore to INR 1,655 crore, led by strong growth in the IAC (Intelligent Ambient Comfort) business, which

commands approximately 60% share in this division. The order book remains strong at INR 834 crore, providing solid future visibility.

The Mechatronics segment sustained its upward momentum, delivering a y-o-y growth of 45% in H1 FY 27, from INR 122 crore to INR 177 crore, with a healthy order book of INR 512 crore.

Turning to the Structures & Control Systems vertical, it reported a y-o-y growth of 24% in six months, increasing from INR 380 crore to INR 476 crore, with an order book of approximately INR 150 crore.

The Aftermarket segment showed a growth of 9% y-o-y, from INR 216 crore to INR 234 crore, mainly due to a dip in the non-lighting product category as a result of rising input costs. We will continue to monitor these input cost trends and focus on profitable growth for the remaining part of the year.

The Alternate Fuels business showed a growth of 30% y-o-y, from INR 170 crore to INR 220 crore, with an order book of INR 379 crore.

Capex on account of capitalization during the first quarter was INR 60 crore. *[Note: The capex of INR 60 crore pertains to H1 FY 27.]* The guidance for the year continues to remain around INR 300 crore, including the new greenfield expansion in the Mechatronics, Advanced Plastics and Alternate Fuels divisions, which is expected to begin the SOP (Start of Production) in the H2 of financial year. These investments are aimed at unlocking medium-term revenue growth and supporting our localization efforts across key platforms.

As of September 2026, we continue to maintain a strong balance sheet and a healthy liquidity position. Free cash reserves stood at INR 400 crore, providing us with the financial flexibility to support ongoing investments and navigate market cycles confidently. Long-term debt stood at INR 442 crore, resulting in a conservative debt-to-equity ratio of 0.26, which is within our internal comfort threshold.

With this, we conclude the operational and financial overview. We now open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Amit Hiranandani from PhillipCapital.

Amit Hiranandani: Congratulations on one more outperformance in Q2. Sir, my first question is basically, after this 34% of y-o-y growth achievement in the first half, so are we revising our guidance upward for this fiscal year?

Ankit Thakral: Amit, this is Ankit here. So at the beginning of the year, we basically provided the guidance, in line with our North Star that if we combine growth for 2 years, which is FY 26 and FY 27, we will be comfortably in line with the overall guidance of 20%-odd. And considering the 35-36% growth which was done in FY 26, if you do the mathematics, the growth for this year at the beginning of the year was somewhere closer to 12-14%.

However, whatever the industry has performed during the first half of the financial year and considering our H1 performance, we can expect the full-year growth to be somewhere in the region of 20%-odd, if we compare from FY 26.

Anmol Jain: Amit, this is Anmol here. Just to add to that, H1 you've seen a 34% growth on a y-o-y basis. Getting into H2, as I mentioned, because of a higher base in FY 26, we do expect the growth for H2 to be perhaps somewhere between the 15-20% mark on a y-o-y basis.

And hence, for the full year, we should be anywhere between a 20-25% growth on a full-year basis on the revenue. So, looking at perhaps close to a INR 6,000-odd crore, given that growth number.

Amit Hiranandani: Yes, I think incrementally this is pretty much positive because organically we have targeted around 15% growth, but now we are upward to 20-25% growth.

Anmol Jain: That's correct.

Amit Hiranandani: Yes. Sir, secondly, are we witnessing any incremental immediate pressures on margins for Q3? And are we on track to achieve this FY 28 absolute EBITDA target?

Anmol Jain: So, yes, margin pressures on supply chain inflationary costs continues. However, the same was also witnessed in H1, and most of these inflationary costs, we have been able to pass through to our OEMs. However, there is a lag of about 1 quarter or so, as Ankit mentioned, because the whole revenue goes up because of these price escalations and inflationary costs and so does the denominator. Hence, margins get diluted by few bps.

Having said that, I think we remain quite confident for the remaining part of FY 27, and we are quite confident of delivering the absolute guidance of EBITDA for FY 28, which was always at about INR 1,000 crore EBITDA. We remain quite confident to achieve that in FY 28.

Moderator: The next question is from the line of Radha from Motilal Oswal.

Radha: Congratulations on stellar results. Sir, could you help us understand the content per vehicle that Lumax addresses today across each Mechatronics JV (Joint Venture), that is Alps Alpine, Ituran, Yokowo and FAE? And with multiple product launches planned, where do you see Lumax's Mechatronics content per vehicle to reach in the next 2 to 3 years?

Anmol Jain: So just to give you a sense, let us say the total content per vehicle, which is the playbook for Lumax Auto Technologies, is anywhere around INR 70,000 to INR 75,000 per Passenger Vehicle and about INR 20,000 to INR 22,000 per 2-Wheeler. This is based on the basket of products Lumax Auto Technologies is in currently.

I would not be able to give you an exact content per vehicle because there are multiple parts across different, different joint ventures and subsidiaries. However, let us say, almost close to 50% of this content per vehicle on the Passenger Vehicle side rests within the IAC vertical and Greenfuel would be close to about INR 5,000, INR 7,000 or INR 8,000 per vehicle, and the remaining is all divided between the Control Systems, Transmission and Mechatronics.

The Mechatronics will have one of the highest content-per-vehicle of that, just given the sheer range of products. And as we move forward into high-electronic components like as the Body Control Module, this would only go up.

So, we do believe that, at INR 70,000 to INR 75,000 on a Passenger Vehicle, the fastest content per vehicle driver would be the Mechatronics vertical. And perhaps in the next 2 to 3 years, the whole INR 70,000-75,000 per vehicle would also maybe go up by about 10% or so.

Radha: That's helpful, sir. But, sir, just for rough calculations, can we assume 15% of the INR 70,000-75,000 comes from Mechatronics as of now?

Vikas Marwah: So Ms. Radha, I think closer to a 20% contribution would come from Mechatronics right now. And as Mr. Anmol Jain said, this is still a very, very high-growth vertical, with new product categories in the connected-vehicle space, and the vehicle ECU (Electronic Control Unit) interface management space, the new products are on the radar. It will continue to grow further. As of today, it stands at 20%, yes.

Radha: Sir, second is in Mechatronics, could you help us understand, how do we plan to progress from supplying individual components like antennas, telematics etc., to customers to a more Tier 0.5 solution more value-add, etc., to the OEMs and how can this be viewed as a trigger to strengthen our competitive position and segmental margin?

Vikas Marwah: So, Mechatronics vertical today is resting on 5 global partnerships with 5 major global players who are the market leaders in their segments. You are right, one of them is Alps Alpine, then we have Yokowo in connectivity systems. We have Ituran on the telematics side, and we have got Nidec there on the Body Control Modules. And we also have FAE in the oxygen sensor segment, and we continue to explore new partnerships.

Most of these component categories are not connected to each other, except through a vehicle interface or the ECU management system that comes from the OEMs. Having said that, there is an opportunity basket that lies along with the aggregation with the IAC cockpit solution, which would require vehicle-level endorsement and the journey toward 0.5 would be eminently possible there.

However, let us remain cognizant of the fact that each of these individual categories, when marketed to the OEMs right now, get us a higher value addition. So OEMs also, when they are looking at the aggregated parts, would naturally expect more cost benefits and there the volume-scale-cost game will then kick in, and your Company will take the right decisions accordingly.

Moderator: The next question is from the line of Raksha Srivastava from Narnolia Financial Services.

Raksha Srivastava: Congratulations on the great set of numbers. Sir, wanted to ask, in the previous conference call, management has mentioned that 3 to 6 months of lag is there and in the cost pass-through for certain OEMs and the recovery will be made to protect the full-year EBITDA margin. So, can we believe that the COGS (Cost of Goods Sold), which is higher for Q2 FY 27, is due to the delayed pass-through? Or is the Company still absorbing the impact of rising input costs?

Ankit Thakral: Yes. Thank you, Ms. Raksha. So the answer to your question is that, as I mentioned during my opening remarks that whatever raw material costs we have passed on to our vendors, most of them are being 100% backed up by the OEMs. Only thing is, there may be maximum a single quarter lag.

However, with respect to whatever the price lag has been given to vendors in both the quarters, most of it, recoveries have happened from the OEM. Say for example, if we have given INR 100 as a raw material price increase, we have been able to recover that INR 100. But that delta has hit into the revenue, with similar increase in costs and zero addition to profitability.

That is why, as a percentage of revenue, you are seeing a couple of bps increase in our raw material consumption for the single quarter and maybe slight dilution in margin, maybe by 30-40 bps in our EBITDA margins.

Anmol Jain: We remain confident that almost all of the inflationary costs we should be able to pass through to OEMs and recover them in the subsequent quarters as well.

Raksha Srivastava: My second question would be, how is the capacity utilization ramping up at the new Chakan plant supplying M&M? Also, what are cost savings or efficiencies we have achieved in Q2 FY 27?

Anmol Jain: So, maybe I will request Sunil to answer that. I'm assuming you were specifically talking about the new IAC division facility in Chakan, I'll hand it over to Sunil because I believe the facility is still under commissioning. So Sunil, if you can just throw some colour on that?

Sunil Koparkar: Just to discuss the point Mr. Anmol Jain said, the Chakan IV facility is in the SOP phase, but the product launch will actually happen more towards December, January. Talking about efficiencies, over the last few years, we have been trying to do is, align our production facilities to more like a centre of competence (COC) concept to gain the efficiencies.

And I think once Plant IV launches, we will be able to actually give you some details as a result of COC, how much efficiency we have gained through this concept. But at this point, it is under production, and we will not be able to say much more.

Moderator: The next question is from the line of Deep Shah from New Vernon Capital.

Deep Shah: Sir, my question is on the North Star guidance that you give, which is mostly on revenue growth, where you said 20% revenue growth from FY 25 to FY 31. But that seems like slightly backdated because like FY 26 also, we had, as you said, 34-35% revenue growth.

So, if I look at it from an FY 27 to FY 31 based on your historical guidance, it ends up at about 16-17% revenue growth. So, is that like a fair understanding or would you change it to like a higher guidance or something like that?

Anmol Jain: So Deep, again, I think when we gave that guidance, we said 2-3 things. Number one, we will continue to outperform the industry growth. That's number one. And I don't think the industry is

likely to continue to grow at 12-15% over FY 25 through FY 31 because the base also consistently keeps going up.

However, having said that, I think at this point in time, we would like to continue to have a 20% top-line CAGR growth estimated until FY 31. However, I also mentioned that we are likely to double our revenue base to probably more like INR 11,000 crore in FY 31.

So again, at the right time, we might have a revision to these CAGR numbers, but we do feel a lot more confident on today, achieving this kind of growth of 20% CAGR through organic growth by itself.

I think in the earlier calls, I would have said that probably a 15% CAGR is more achievable through organic routes and inorganic further acquisitions would entail maybe another 5-7% of the CAGR.

Today, I think the only change point I would like to say is that we are a lot more confident that if the industry continues to grow with the same momentum, a 20% organic CAGR could be achievable. And if we were to take positions inorganically, it should then cross the 20% CAGR to higher and deliver top line growth.

Deep Shah: Just one clarification. When you say 20% CAGR, you are assuming a FY 25 base, right?

Anmol Jain: That's correct. Base was FY 25.

Deep Shah: Okay. Got it. My second question is more qualitative on Mechatronics, like you said, a new plant for Body Control Modules, etc. So I mean, just want to understand the product development. Is it done in-house or is it again with the 4 JVs that we have?

And is that also included in the historical guidance of about INR 1,000 crore revenue for Mechatronics by FY 31. So BCM is a part of that or is it something new? And just like more qualitative information on these new products on the Mechatronics side?

Anmol Jain: Sure. So I'll take this partially, and then maybe I'll request Vikas to jump in. So number one, BCM was always a part of this 20% CAGR growth story. We've probably gone and announced the BCM as a product category more recently. But again, the development and the nominations happened way back.

Number two, most of the Mechatronic products, and there is a two-pronged approach. Number one, there are certain product lines which the technology lead is driven by the joint venture partner and the IP (Intellectual Property) sits in the respective joint venture.

However, at the same time, our internal innovation and technology centre, which is SHIFT (Smart Hub for Innovation and Future Trends), is also working on a lot of technologies, more on electronic components, which would then get productionized in one of the standalone entities or the standalone facilities. And hence, they will also be able to home-grow certain technologies.

So again, it will be a mixed bag, but both, whether the technology is home-grown at SHIFT or it is led by the joint venture partner, the growth from these products will kick into the

Mechatronics vertical. And hence, we keep saying repeatedly that although on a small base, but we do expect Mechatronics to be the fastest-growing vertical and perhaps inching towards the INR 800 - 1,000 crore revenue of INR 11,000 crore or so in FY 31.

Vikas Marwah: So, I will just add to what Mr. Anmol Jain just mentioned. In terms of 3-year to 4-year outlook, the total consolidated Mechatronics vertical is expected to contribute 25%, which is our internal target from the Lumax internal technology-driven initiative. And about 75% would rest with the design and the IP support coming in from our joint venture partners.

That's an internal target. And Lumax Auto Technologies' Electronics division is focused accordingly to scale it up across various product categories, probably going up to almost like 10 product categories by 2030-31. We are currently on 6 product categories. We will add another 3 or 4.

Deep Shah: Just one last question on Mechatronics margins. How high are the margins compared to our current EBITDA margins of 14.5-15%?

Vikas Marwah: So they are in line very much. Mechatronics is still scaling up. We are reaching critical mass. We are sitting on a INR 500 crore order book. They are inching closer to the overall Lumax Auto Technologies' profitability as we speak.

Moderator: The next question is from the line of Apurva Mehta from AM Investments.

Apurva Mehta: Congratulations, sir, on great set of numbers and great margins, great cash flow, nothing to complain. Just wanted to know what are we doing on the electronics side of the business where the EV is scaling up. We are seeing a lot of 2-Wheelers, 4-Wheelers, EVs are going up, which are the product lines that we are looking for next future growth?

Vikas Marwah: Apurva-ji, this is Vikas Marwah, and thank you for your remarks. Coming back to EV, which is a familiar question. We have clarified it over the previous quarter's earnings calls also that while continuing to scale on a North Star vision of 20.20.20.20 and registering these kind of growth numbers and coming closer to now 15% EBITDA and probably beyond, we have been very prudent in terms of balancing our priorities towards what we see as the future critical and what is presently critical to us.

Accordingly, electronification and powertrain agnostic products have continued to remain on our radar. While there is a definite scaling up on the 2-Wheeler side in terms of the EV components and slight increase in the numbers or even on the 4-Wheeler, a lot of them continue to be commodity-based purchases where OEMs would like to maintain a stranglehold and the automotive components really don't have much to supply there being out of the battery-related solutions and everything.

We have now zeroed down on our EV component strategy to a list of product basket of 3 to 5 products where we are now sourcing technology and looking at certain inorganic measures also, which continues to be an exploratory area to get into active SOPs during the 2028 to 2030 period. We have our hands completely full on electronification of the vehicles right now with the products that we have, and I think that's the right strategy.

Apurva Mehta: Great. And can you throw some light on each of our JVs like Greenfuel, Mannoh? Where you look all these companies for next 2 years kind of thing, like Greenfuel, Mannoh, Alps Alpine, Cornaglia, FAE, Ituran?

Anmol Jain: So I'll just give you a broader sense. I think rather than going into each and every company, I think, of course, each company has its own playbook over the next 5-6 years. Some of them are matured and already high wallet share companies like Lumax Mannoh, where the growth would be very different than some of the Mechatronics vertical companies like Lumax Alps or Lumax Yokowo.

But as I said, under the whole theme of BRIDGE, which is a whole roadmap for diverse growth engines, I think all of them are trying to unlock the maximum potential of growth and I think Greenfuel and Mechatronics, along with IAC would be some of the key growth drivers, where I have already said, the Mechatronics, the growth would be outperforming the other divisions, although on a small base, but again, we are expecting perhaps close to INR 1,000 crore revenue from Mechatronics as a business vertical by 2031.

Similarly, Greenfuel also has now a very strong order book based on the localization of the ferrule-less tubes & fitting, and we should be able to significantly ramp up that business vertical as well. So I think there is a great opportunity for us to, first and foremost, accelerate the growth in certain business verticals.

And as I mentioned earlier, thereafter, with the new product basket, which we are getting into under the whole electronics and Mechatronics business verticals, we should then also be able to enhance our content per vehicle by about 10-15% from the current level of INR 70,000-odd on a Passenger Vehicle.

Apurva Mehta: And on the margin front, as we scale up this Mechatronics, are the margins also will come in line with what we are there currently, around 15-16% kind of margins can we foresee?

Anmol Jain: Yes, absolutely. I think we are quite confident that the current margins, which we've clocked and delivered should be able to sustain for the remaining part of the year. And for the full year also, I think the guidance remains unchanged. We should be able to continue that margin. Despite the volatility, I'm quite confident that we should be able to maintain the margins.

And going forward, I think the whole ambition and aspiration is to try and move the margin further by at least 100-200 bps over the next few years and inch them closer to like a 17-18%, something like that framework.

Apurva Mehta: And on the Aftermarket side of the business, where our aspiration is always to grow 20%. This quarter, this first half, we are being low on that. What are the steps taken to make sure that Aftermarket grows at more than 20% and like adding new products or widening of the market or how can we do that?

Anmol Jain: So I think Aftermarket is a very different animal. I think it needs a very different treatment. You're right, for H1 of the current year, we've seen Aftermarket grow at about 9% with respect

to last year. But I think Q2 per se was a better quarter where we grew at 11%. And again, for the full year, we still remain hopeful, and there were 2 primary reasons.

Number one, as I said, a lot of the inflationary costs were passed on and that kind of dampened the demand, specifically in the non-lighting product segment where we are not the market leaders. However, with the focus on secondary demand generation and also to penetrate into newer product lines, on a 3 to 5-year horizon, I still remain quite optimistic to deliver a 15-20% growth on the Aftermarket.

Moderator: The next question is from the line of Shrenik Mehta from IndoAlps. As we lost the connection for Mr. Shrenik Mehta, so we'll move to the next question from Mr. Amit Hiranandani from PhillipCapital.

Amit Hiranandani: Sir, on the BCM product, so the competition is also intense here. So I just want to confirm whether do we have the confirmed orders in hand and in which subsidiary this product will get reported?

Vikas Marwah: So Amit, this is Vikas Marwah. Thank you for your question. BCM is a very, very new and the prestigious entry for Lumax. We went into the SOP sometime in July this year. We are still scaling up. You are right, we are up against global competition here, but the comfort is that the technology is coming again from a global leader.

This is not a joint venture right now. It is standalone revenue for Lumax Auto Technologies, and we are extremely proud of it. In the scale-up phase, it is currently build-to-print. We are imbibing the technology. We are learning with it. We are scaling it up, and you are right, there is an order book that is backing up to support it.

In terms of the won and the acquired program, we are already on a INR 250 crore order book with which confidence we are kicking off the new Mechatronics plant, which has been announced in the results. And we continue to remain hopeful of probably doubling up this revenue by 2031. But this is the first 6 months of the launch.

Amit Hiranandani: Sir, can I just clarify? You said there is a tech with a global leader. So can you please clarify here, which OEM we have tie up?

Anmol Jain: It's not an OEM. It's actually another electronics component manufacturer. We would not be able to give you the name yet. However, it's a large Japanese auto component maker. So again, it's more of a technology tie-up, not a joint venture. However, we will be localizing the manufacturing on their behalf. And again, the technology will be kind of coming from the technology partner. And also our SHIFT will, over time, have a lot of integration on the technology piece.

Amit Hiranandani: And this will be reported in the standalone, you said?

Anmol Jain: That is correct. All the revenues and profitability of business from Body Control Module business would be under the standalone.

Ankit Thakral: And with respect to the division-wise breakup, it will be under the Mechatronics division. So it will have both the subsidiaries and the standalone revenue, the Mechatronics business.

Amit Hiranandani: Right. Sir, my second question is, can you just reconfirm the growth with LIL for Q1 and Q2?

Anmol Jain: LIL?

Amit Hiranandani: Yes.

Ankit Thakral: So Lumax with respect to the Lumax Industries Limited, so...

Anmol Jain: I think in the H1, the growth is flat. We have really not grown our revenue. It is a flat revenue on a y-o-y basis for first half.

Amit Hiranandani: Yes. So this was basically my follow-up question. What is exactly happening here? I mean the growth is flat here.

Ankit Thakral: For the current six months, this is basically the wiring business division, which we are catering to Lumax Industries Limited. And if we go back to the six months last year, there was another sort of one more product line, which we were supplying to Lumax Industries.

But at the start of the financial year, Lumax Industries is procuring from themselves. So that is why if you compare from last financial year, it is a flat growth. And if you see the apple-to-apple, it will be the similar growth of around 25-30%, which is in line with the growth of Lumax Industries as well.

Moderator: The next question is from the line of Radha from Motilal Oswal.

Radha: Sir, could you give us some colour on the adoption of ferrule-less tubes across new customers besides Maruti and also penetration in some of the new customers like Hyundai, etc., from the Greenfuel division?

Anmol Jain: Radha, on the ferrule-less tubes and fittings, industry at large was importing this ferrule-less tubes from outside of India. We were and are the first company to have localized the manufacturing of ferrule-less tubes and fittings. And at an industry level, I mean, if you look at the penetration of CNG, every vehicle has the ferrule-less tubes and fittings. It multiplies either in 3 or 4 or 6 per vehicle depending on the layout.

However, we have already started, as I mentioned in my opening, the supply of the ferrule-less tubes and fittings to Mahindra & Mahindra, along with the receptacles as a whole CNG system. With Maruti Suzuki also, there have been some firm order wins to supply the ferrule-less tubes and fittings. The scalability of this is sizable as a growth driver under the CNG business vertical because, again, it's a win-win for the OEM as well as for us.

So OEM also gets a lot of localized price advantage and localized supplies, whereas for us, this is a growth driver on the whole theme of localization. So I think we will right now have a significant capacity utilization between Mahindra and Maruti Suzuki over the next, let's say, give or take, 2 years.

And then we will see if we are able to expand this to others. We do remain engaged with other OEMs like Hyundai as well, but not just for ferrule-less tubes and fittings, but also for certain other CNG parts.

Radha: Sir, secondly, globally, Alps Alpine has a lot of products in smartphones and Greenfuel's partner also has applications in industrial air conditioning industry, etc. So given some of the products can be used across industries, do we plan to tap these opportunities in India or solely focus on automotive?

Anmol Jain: As of now, our singular focus is to try and capitalize the opportunities that exist in the automotive space. And again, we would like to be laser sharp focused on automotive and deliver the growth numbers which we are promising. I think there is a lot more opportunity to grow even higher within the automotive landscape. So that would be our focus area for now.

Radha: And sir, lastly, the partnerships that Lumax has across various partnerships that you mentioned, are these partnerships exclusive to Lumax in India? And secondly, do you see any risk from the deterioration of the financial condition of any of the partner globally to impact our Company or any risk from that angle in the near term or in the medium term to impact Lumax?

Vikas Marwah: So Ms. Radha, I think we are very proud of the fact that Lumax has always been extremely prudent in terms of choosing its international partners. In the flagship company, Lumax Industries, the partnership is actually so many decades old that we can't even tell you. I mean, it will be probably closing 50 years at some point of time. With a world leader.

After that, all the Lumax Auto Technologies joint venture partners who have come on board, most of them are global market leaders in their space with no financial distress, long-term enduring sustaining partnerships for India. With mutual consent, one JV was dissolved in the last quarter.

That was with JOPP of Germany due to their technology portfolio at that point of time and the scalability ambitions of both the partners not aligning. So it was an amicable separation that has happened. Having said that, all the partnerships that we have are of very, very high standing.

Moderator: Ladies and gentlemen, as that was the last question for today, I now hand the conference over to management for closing comments.

Anmol Jain: Thank you once again for joining us for the Q2 and H1 FY 27 earnings call and for your continued interest in Lumax Auto Technologies. We truly appreciate your time and engagement today. Should you have any further questions or require any additional information, please feel free to reach out to the Lumax Group Investor Relations team or SGA, our Investor Relations Advisors.

We are committed to keeping the investor community regularly updated on our progress. Thank you, and I also take this opportunity to wish you a very happy festive season. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, 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.

Disclaimer: This transcript is the output of transcribing from an audio recording and has been edited for clarity, consistency with published information. Any text in square brackets [ ] is added by the Company for clarification and does not form part of the spoken proceedings. Although efforts have been made to ensure a high level of accuracy, in some cases it may be incomplete or inaccurate due to inaudible passages or transcription errors. The Company takes no responsibility for such inaccuracies or errors. It is compiled as an aid to understanding the proceedings of the event but should not be treated as an authoritative record. In case of discrepancy, the audio recordings uploaded on the stock exchanges will prevail.