



# “Lumax Auto Technologies Limited Q1 FY 2026 Earnings Conference Call”

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**Moderator:**

Ladies and gentlemen, good day, and welcome to the Lumax Auto Technologies Limited Q1 FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of the future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participants in line, will be 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 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. A very good afternoon, everyone, and thank you for joining us for the Q1 FY '26 earnings conference call. It's a pleasure to welcome you all. I am joined today by Mr. Vikas Marwah, CEO; Mr. Sanjay Mehta, Director and Group CFO; Mr. Sunil Koparkar, the Managing Director of IAC India; Mr. Sanjay Bhagat, Head of the After-Market Business; Mr. Naval Khanna, Head, Corporate Taxation; Mr. Ankit Thakral, CFO of the company; and Ms. Priyanka Sharma, Head, Corporate Communications.

We're also supported by our Investor Relations partners, Adfactors PR. Together, our leadership team looks forward to share our Q1 performance, along with key business updates from the quarter. The results and presentation have been uploaded on the stock exchanges and the company website, and I do hope everyone has had an opportunity to go through them.

The automotive industry in Q1 FY '26 witnessed a mixed performance with demand flat across most segments. Within passenger vehicles, the strong growth of Mahindra & Mahindra, driven by the continued success of its UV portfolio and steady tractor performance provided a positive tailwind for our business.

Premiumization across product categories contributed meaningfully, improving the revenue mix for both OEMs and suppliers. Additionally, diversification across passenger vehicles, 2-wheelers, 3-wheelers and the commercial vehicle segments helped cushion the impact of a muted domestic environment.

The broader macroeconomic environment has also showed encouraging signs of improvement with inflation under control, GDP growth resilient and rural sentiment on the rise, aided by a strong monsoon. Urban consumption is expected to strengthen in the coming quarters, supported by personal income tax benefits and improved liquidity conditions.

As per SIAM data for Q1 FY '26, 2-wheeler volumes stood at 5.9 million units, up only 1% year-on-year. Passenger vehicles stood at 1.25 million units, up by 3% on a year-on-year basis and 3-wheelers at 0.26 million units, up 10% year-on-year.

The combination of improving rural demand and supportive policy measures provides a constructive backdrop for the industry, particularly as we head into the festive season and expect a gradual revival in consumer sentiment across both urban and rural markets. Moreover, industry leaders believe the recently announced U.S. tariffs will have minimal impact on India's 7 billion auto component exports to the U.S.

Since auto parts already attracted 25% duty effective May 2025, the new levy is seen as a reciprocal measure applied uniformly across countries and therefore, does not alter the competitiveness of Indian products. Moreover, India does not export vehicles to the U.S., further limiting any direct impact.

On the company update, -- we have kicked off FY '26 with a steady performance both in revenue and profitability, which is in line with our internal operating budget. There have been certain price corrections from customers, which have not been realized in Q1 because of which the margins have seen a slight dip compared to Q1 of FY '25.

These corrections, however, have been subsequently received in the current month. Hence, in Q2, we should be able to see this gain based upon the spillover from quarter 1. And for H1, the EBITDA margins will be in alignment with our strategic direction for the current year, which is between 14% to 15% EBITDA margins. The after-market business delivered a strong growth of 16% in Q1 on a year-on-year basis, in line with our midterm strategy.

During the quarter, we also incorporated 2 new wholly owned subsidiaries, Lumax Auto Comp Private Limited and Lumax Auto Solutions Private Limited in the month of July in New Delhi, aligned with our vision to capture emerging growth opportunities in the automotive sector. The acquisition of the remaining 25% stake in IAC India was completed in May and as previously communicated, will be effective for profit attributable to the owners of Lumax Auto Technologies Limited from that date.

Our recently inaugurated IAC India manufacturing facility at Chakan is now fully operational, gaining strong traction with key OEM customers and enhancing our ability to meet rising demand and advanced and sustainable manufacturing practices. We are also establishing a local engineering, sourcing and development capability in China in this fiscal year for benchmarking of new trends and technologies and gain real-time access to information from the Chinese industry.

At the same time, we are also going ahead for setting up of a technology center as a part of SHIFT Smart Hub for innovation and future trends at Bengaluru. Both these strategic initiatives are expected to be commercialized by quarter 3 of the current fiscal year and will play a key role towards our strategic move from becoming -- from a Tier 1 to becoming a Tier 0.5 player for our OEMs.

Certain recognitions during the quarter, the Plastics division of the company and subsidiary company, Lumax Mannoh, received award for overall performance in the Maruti Suzuki Vendor Conference of 2025. IAC India also received a certificate of appreciation in recognition of its superior performance in vendor system audit rating at the same Maruti Suzuki Supplier Conference. Lumax Mannoh was also honored with the CNBC TV 18 SME Champions Award Season 2 in the category of Manufacturing SME of the Year Industrial Excellence. Another subsidiary, Lumax Ituran Telematics was awarded the Runner Up as Partner of the Year at the Daimler India Annual Supplier Meet. Talking about the order book, we are pleased to report a robust order book of INR1,500 crores with strong visibility across next 3 fiscal years.

Of this order book, approximately just 8% is projected to be materialized in the current fiscal year, almost 40% in FY '27, 40% in FY '28 and the remaining 10% to 12% in FY '29. The order book reflects healthy traction across all product verticals with advanced plastics contributing the largest share, followed by mechatronics, alternate fuels and structures and control systems product vertical.

I'm also pleased to share that 40% of this order book rests within the future and clean mobility solutions thereby taking the company forward in line with its midterm plan. Despite the industry's largely flattish performance this quarter, we remain firmly aligned to our vision guided

by the Theme BRIDGE, the Bold Roadmap Integrating Diverse Growth Engines as a part of our midterm plan.

Our focus on diversifying across OEMs, products and segments while accelerating our presence in EVs and greener fuel technologies, enhancing our wallet share positions us to capture emerging opportunities and drive sustainable growth in the evolving mobility landscape. With a good start to FY '26, we remain confident of marching towards our North Star of 20.20.20.20

With this, I hand over the call to Mr. Ankit Thakral, the CFO of the company.

**Ankit Thakral:**

Good afternoon, everyone, and thank you for joining us today. Q1 FY '26 has commenced on a solid revenue gain, reaffirming the strength of our evolving and well-balanced portfolio. This performance is a direct outcome of our disciplined execution of the strategy and sustained focus on innovation, premiumization and deeper alignment with high-growth mobility platforms. Let me now take you through the key operational and financial highlights for the quarter.

Beginning with the Advanced Plastics division, this segment recorded a year-on-year growth of 25% in Q1 FY '26 with revenues increasing from INR420 crores to INR525 crores. This performance reflects our strategic alignment with OEM programs that prioritize design, durability and lightweighting. The order book remains strong at INR940 crores, providing solid future visibility.

Next, the Mechatronics segment sustained its upward momentum, delivering a year-on-year increase of almost 100% in Q1 FY '26 from INR28 crores to INR54 crores. With a healthy order book of around INR250 crores, this segment remains highly technical due to its high engineering intensity and relevance in the shift towards intelligent mobility systems.

Turning to the Structure and Control Systems vertical. It reported a Y-o-Y growth of 10% in Q1 FY '26, increasing from INR165 crores to INR180 crores. With an order book of INR110 crores, it strengthened our position as a trusted technology partner in the evolving mobility ecosystem.

The aftermarket segment showed a strong growth of 16% from Q1 of last year, reflecting strong customer traction and product acceptance. We are very much hopeful of sustaining and building upon this strong growth for full year FY '26 and way forward.

The Greenfuel Energy Solutions acquired in the latter part of the last financial year contributed INR95 crores in Q1 backed by the order book of around INR200 crores with margins expected to be accretive to the group average over the medium term, this segment is positioned to grow in alignment with the national shift towards alternate fuel platforms and rising OEM adoption.

With an enhanced focus on the segment diversification aided by the seamless integration of IAC and acquisition of Greenfuel has translated into a notable shift in revenue composition. In Q1 FY '26, the passenger vehicle segment accounted for 55% of total revenue, 2- and 3-wheeler segment contributed 21%, followed by CV at 11% and aftermarket at 10%, reflecting a well-diversified and balanced mix across mobility platforms.

Our consolidated revenue for Q1 FY '26 reached INR1,026 crores, marking a Y-o-Y growth of 36% and reflecting the growing strength of our core business as well as the momentum from our newer verticals. The revenue saw a decline of 9% from Q4 FY '25, which is due to the higher tooling revenue of around INR90 to INR100 crores, mainly in IAC India in Q4 of last year.

Tooling being cyclical in nature, which is executed in line with the new model launches by the OEM. If we exclude this tooling revenue, the revenue for Q1 FY '26 is in line with the Q4 of last financial year '25. On the profitability front, EBITDA stood at INR136 crores, up 29% over the same period last year with margin steady at 13.2% -- the decline in margins from Q1 FY '25 has been clarified. And with respect to the Q4 FY '25, it is down because of profitability impact from the just explained tooling revenue and deferment of the customer price corrections, which has been subsequently received in Q2.

Profit after tax before minority interest stood at INR54 crores, registering a Y-o-Y growth of 30%. The effective tax rate remained stable at 27%, and we expect it to hold at similar levels throughout the year.

The share of minority for the quarter stood at 22%, down by 27% from Q4 FY '25 with IAC becoming the 100% subsidiary from 22nd of May. The minority share for the upcoming quarter is expected to settle between 15% to 17%. Capex for the quarter stood at INR73 crores, which includes a strategic investment in Gujarat land of INR31 crores. These investments are aimed at unlocking medium- term revenue growth and supporting localization efforts across key platforms.

The full year guidance for the capex remains at around INR180 crores to INR200 crores. As of 30th June 2025, we continue to maintain a strong balance sheet and a healthy liquidity position. Free cash reserves stood at INR359 crores, providing us with the financial flexibility to support ongoing investments and navigate market cycles confidently. Following the payout for the 100% acquisition of IAC, our long-term debt stood around INR600 crores, resulting in a conservative debt-equity ratio of 0.63, which is within our internal comfort thresholds. We now open the floor for questions and answers.

**Moderator:** Thank you very much. The first question is from the line of Amit Hiranandani from PhillipCapital. Please proceed.

**Amit Hiranandani:** Congrats team for once again showing strong set of numbers. Sir, first question is we have observed high growth in clients like Tata Motors and Mahindra. If you can please throw some color on this? Also, secondly, we have created 2 new subsidiaries. So, what's the plan and whether any inorganic talks are nearing completion?

**Anmol Jain:** So, I'll take the second one first. I think we continue to pursue future opportunities of growth through the inorganic route. As I mentioned before, the company is always evaluating certain future growth strategies inorganically. And just to expedite certain processes, these are just enablers to -- for future growth. As of now, we do not have any material information to share in terms of next inorganic move. But as and when we are there, we will definitely keep you informed. Regarding the customer growth, I'll suggest Ankit to just give you some brief.

**Ankit Thakral:**

So yes, you are absolutely right. Firstly, the Mahindra & Mahindra has reported almost growth of more than 50% at INR317 crores. So of course, if you see the Mahindra own growth, at the same time, it has increased by 24% year-on-year. But if you bifurcate that 24% increase into PV and CV, the passenger vehicle segment of Mahindra has shown an increase of around 30% to 35%.

So of course, due to this increase and of course, IAC being the more dominant player in Mahindra due to their premiumization content, the overall revenue for us from Mahindra has increased more than 50%. And now Tata Motors. So, Tata Motors, if you know for Q1 FY '26, the revenues for the Greenfuel has been consolidated, which were not there in last year.

And Tata being the number 1 customer for green fuel almost commanding around 1/3 of their overall revenue, both in passenger vehicle and commercial vehicle. So, because of this reason, Tata Motors, including the Greenfuel revenue has been doubled from last Q1 of FY '25.

**Amit Hiranandani:**

Yes, helpful, sir. Sir, secondly, can you also help us understand how the emerging subsidiaries have performed in the first quarter like your Alps Alpine, Ituran, JOPP, etc? And what kind of growth you expect in this and in the next fiscal as well? And sir, in general, have we added any new customer or received any substantial orders from the existing ones for across all subsidiaries?

**Ankit Thakral:**

So, as I mentioned in my opening speech, so the emerging subsidiaries under the mechatronics domain has increased from, I would say, closer to INR25 to 28 crores in last Q1 to almost INR55 crores. So, it's a straight away 100% increase from Q1. And specifically, the main increase is in 2 subsidiaries firstly being, yes, the Lumax Alps Alpine, which was around INR8 to 10 crores base of last Q1 has increased to INR25-odd crores in this Q1.

So, as we have explained in Q4, so whatever the new SOPs has happened mainly of the Throttle Position sensor to the HMSI, that has led to the increase in this Lumax Alps Alpine revenue. And going forward also with the introduction of new products and 2 - 3 products, which are in line that is supposed to go into SOP in the later part of the year.

So, for the full year, we are anyways expecting a similar sort of growth more than doubling its revenue from the last year FY '25 in Lumax Alps Alpine And secondly, the Lumax FAE, so the SOP for Lumax FAE from the Royal Enfield just started in Q4 of last year. So the full quarter SOP impact has come in FY -- of course, it was miniscule in Q1. And for the full year, we can easily see that this Lumax FAE revenue is expected to surpass around INR55 to 60 crores for the full financial year '25-'26.

**Amit Hiranandani:**

Helpful, sir. Sir, lastly, sir, export opportunities are opening up for the Indian auto component players. So, do you see anything there in the midterm or any plans or talks ongoing?

**Anmol Jain:**

So, I think from an export point of view, we are already engaged in indirect exports. Our products do get exported to other regions through the Indian OEM counterparts. So, we don't count that as exports necessarily. I think from an OEM export point of view, currently, we still have a very clear focus on capturing the opportunities and growth of the domestic market.

Please also be cognizant that most of our joint venture partners also have geographical presence in ASEAN countries and maybe in certain Western Europe and North American countries. So we are cognizant of that. So we don't have an immediate midterm plan to significantly increase our export footprint. However, aftermarket exports is a completely different chapter, and there are very clear, ambitious and aggressive plans to try and tap into that market going forward.

**Moderator:** The next question is from the line of Vijay Pandey from Nuvama.

**Vijay Pandey:** Congrats for a great quarter. Sir, a couple of things I wanted to check the commercial vehicle sales segment has grown significantly this quarter, more than doubled. Is it primarily because of the Tata Motor sales? You mentioned about the alternative fuel segment that has got consolidated from first quarter. Is it primarily coming from that?

And secondly, can you just explain to us like a bit more clarity on the price corrections that happened in the between the first quarter and the second quarter and fourth quarter, like what happened and why it got delayed? Will this may happen over the coming future? Or is it like just a onetime effect and won't be happening again? If you can just give some light on that, that will be pretty helpful.

**Anmol Jain:** Sure. So, the first question, yes, your understanding is correct. The reason for the commercial vehicle segment growing for us is primarily because of Tata Motors is commercial vehicle revenue coming from the Greenfuel, which starts to getting consolidated in Q1 of this year. And in last year Q1, it was not there. Number two, in terms of the price correction.

So, let me just be very clear. There are 2 sets of price corrections, right? One is a price correction on account of inflationary raw material increases, which are very normal in nature. And there, we continue on every quarter to have a quarterly lag. So that is not something which has in any way impacted the profitability for Q1.

There was a price actualization primarily for the BEV models of Mahindra & Mahindra for IAC India. These BEV models have recently been launched over the last perhaps 4 to 6 months. There were a lot of commercial negotiations. There were a lot of changes done on the actual interior space. And hence, these were actualized now based on retrospective effect from day 1.

So, the cumulative impact from the first day of SOP until end of quarter 1 stands at almost close to INR7 crores, which is significant. And all of that was to be realized in quarter 1 because it pertains to that period, but because of certain ongoing understandings with our customer, Mahindra, that would have not been reached and that has only been reached in the current month of July. And hence, this impact will come in quarter 2 pertaining to quarter 1.

**Vijay Pandey:** Okay. So, sir, I wanted also to check if Mahindra launches a new model again in second half of this year. Will this mean that again, this price actualization may happen? Or is it like this was only one-off time that it had happened?

**Anmol Jain:** So usually, this is not such a case where we have such long periods of price actualization. Usually, it is a much shorter period. But because this was the first time Mahindra got into BEV platforms, there were a lot of new things which emerged on the BEV platforms and a lot of

changes which were ongoing, it took a significant amount of time for us to reach a price settlement. However, usually, across all other Mahindra models and IAC and even the other product verticals of Lumax Technologies continue to service Mahindra and Mahindra. This is not a regular feature.

- Moderator:** The next question is from the line of Dhaval Shah from Girik Capital.
- Dhaval Shah:** Sir, my question is for the full year, the minority interest should be around 11% as guided in the last call?
- Ankit Thakral:** So, the minority interest, as I mentioned in the opening speech, will be closer to 15% because of the higher contribution in terms of Greenfuel because in Greenfuel, we have around 40% minority that is there. So however, it is a substantial reduction from around 27% to 28% last year, as IAC became 100% subsidiary from May '25.
- Dhaval Shah:** Yes. And then it will continue at 15%, right, for the next 2 quarters?
- Ankit Thakral:** As for the existing structure, if the existing structure remains as it is, so the minority will continue to be between 15% to 17%.
- Dhaval Shah:** 15% to 17%. Okay. Great. And my other question, which I would like to understand a bit in detail is about the long-term FY '30 business plan. Now for this, what sort of capital would be required? What sort of asset turns are we looking to have? Do you think there would be a short-term need where there will be some equity raising which can happen here or it will be all done internally with some help of bank borrowing? Can you throw some light on this, please?
- Anmol Jain:** So, I think if you look at our last 3 to 5 years performance, the asset turns almost going forward every year is continuously improving. Looking at the FY '31 strategy, as I mentioned, as a part of our 20.20.20.20, at a 20% CAGR, perhaps we could be also looking at tripling the revenues from FY '25 of INR3,500 crores or so base to maybe upwards of INR10,000 crores.
- Largely, most of our different verticals will be continuing to look at an aggressive growth. But we don't see any substantial, let's say, from an equity point of view, any change in terms of raising capital. We are sitting on healthy free cash and each of the business verticals continues to generate healthy operating free cash on an annualized basis. So, with internal accruals and debt, we should be able to service the needs of this revenue increase over the next 5 to 6 years.
- Dhaval Shah:** And the capex requirement should increase for this total period to around INR2,000 crores over this entire period?
- Anmol Jain:** So again, I think if I were to take out any inorganic pieces and if I were just to say that the current base of give or take this year, probably looking at another 20% growth over last year, you were probably looking at upwards of INR4,200 crores revenue. So to grow that base, yes, I would assume at a 20% CAGR, we should be looking at a similar capex outlay as the current year of about INR200 to INR250 crores on an annualized basis, which would be largely met, as I said, through our internal free cash accruals.



- Dhaval Shah:** Okay. But with this INR200 to INR250 crores capex, that means you are estimating a much higher asset turnover going forward. The incremental revenue to be added is another INR7,000 crores and with the past asset turn. I mean, we can take it offline, but I was just doing my math that the number could be between INR1,800 crores to INR2,000 crores over the next 5 years, the cumulative capex?
- Anmol Jain:** That's absolutely correct. So, the reason for that is primarily two. Number one, as I mentioned, 40% of our order book stands in future and clean mobility. So, the value and the content per vehicle on that is significantly higher. Greenfuel, for instance, is not a very capital-intensive business. So, with a base of roughly INR300 crores to INR400 crores, it growing significantly in the next 5 years will not have a significant capex outlay.
- Secondly, on the interiors vertical, the premiumization is also going to fetch a higher content per vehicle. Thirdly, the aftermarket, which is poised to grow at a significantly higher CAGR does not again need a capital outlay. So again, as I said, based on these 3 or 4 verticals significantly growing in the future, we do expect our asset turns to significantly improve based on what it is today.
- Dhaval Shah:** Okay. And sir, last question before I get back.
- Moderator:** Mr. Dhaval, may we request you to join the queue as there are other participants waiting. The next question is from the line of Sanket Kelaskar from Ashika Stock Broking Services Limited.
- Sanket Kelaskar:** Congratulations on a good set of numbers. So, my first question is on IAC. So how much is the revenue from IAC in quarter 1 and its growth? And do we have any RFPs, which is in the last stage of conversion from any new customer or existing customer for newer models?
- Ankit Thakral:** So yes, I'll answer the first question. So, the IAC revenue for the quarter 1 '25, '26 stood at INR317 crores, up by almost 45% -50% from Q1 of last year, directly because of the strong growth in the Mahindra & Mahindra PV segment of around 30% to 32%.
- Anmol Jain:** Sunil, would you want to just come in and talk about the new models and how IAC positioned with respect to Mahindra?
- Sunil Koparkar:** Yes. Thank you. Just for clarity, I think we just had a look, there are between now and next 3 years, Mahindra is bringing at least 7 new models. And at least on our commodities, we are front runners and coming very close to maybe even getting nomination on some of the business. Hopefully, we'll conclude that by end of this month, at least the first piece of business and the remainder to follow in next quarter or so.
- Anmol Jain:** So, we remain quite significantly deeply entrenched in Mahindra. We've already had some significant order wins in the current month of July, which we will be pleased to share in the quarter 2. But again, as Sunil mentioned, out of 7 new models, some of them being new platforms, some of them being kind of a carry forward from the current models, we are deeply engaged and we are quite hopeful to win a significant share of this new business from Mahindra.

Apart from Mahindra, we have also made inroads into other OEMs where Maruti Suzuki as well as Tata Motors, we're also trying to gain traction in those OEMs apart from just Mahindra being the significant growth driver.

**Sanket Kelaskar:** Sure, sir. That's great. My second question is on our various subsidiaries. So, some of our subsidiaries are having similar product lines. So, do we have any plans to merge them in order to obtain synergies out of it?

**Anmol Jain:** So as of now, we do not have any plans to merge the different subsidiaries. Each of our joint venture is specifically focused into a particular product line or a particular technology area. So as of now, we are very cautious. They don't compete with each other. But again, we will continue to grow each of them individually.

**Sanket Kelaskar:** Okay, sir. And apart from FAE and Alps Alpine, like which are among other of your stress entity do you expect to turn around PAT in FY 26.

**Ankit Thakral:** So yes, if you see the other entity in the mechatronics domain, it is Lumax Yokowo. So again, Lumax Yokowo has recorded a strong growth from Q1 FY '26, almost doubling its revenues, but because the base was too low for the Q1 of last year, so that is why the contribution is not so much. But for the full year, again, we are estimating a similar sort of growth from INR20-odd crores last year to maybe closer to INR50 crores owing to the various SOPs that have been planned throughout the year.

And I'm happy to inform you that by the end of the financial year, it is expected that all the major 4 OEMs, be it Mahindra, Maruti, Honda and Toyota will be the key customers for this particular joint venture. And way forward, we are pretty much optimistic to have a strong growth in this particular regime.

**Sanket Kelaskar:** Sir my last question is on the recent press release, which we made on SmartHub, which we have established in Bangalore and one of the other press releases as well. So, I want to understand if you can elaborate on this as well as if there are any new customer wins in Ituran that is Lumax Ituran segment as well?

**Anmol Jain:** So Lumax Ituran, as of now, we don't have a new customer win. However, we have made very deep discussions with a leading 2- wheeler OEM as well as a passenger vehicle OEM, and those talks currently are undergoing. As and when we have some updates, we will definitely inform all the investors.

In terms of the press releases, I think there are 2 significant updates Number one was the start of the SHIFT in Bangalore. This is largely a software integration center, as I mentioned, as a part of our midterm strategy from going from a Tier 1 to a Tier 0.5. We do need to also develop software capabilities; how do we integrate different product lines together and sell it as an integrated solution for the customer as one interface.

So as a step towards that, this is the first time we will be getting into this software domain. And the idea is to grow this over time to try and not just support the different product lines of the

group, but also perhaps to start selling software services to outside customers and make it as an independent profit center.

The number 2 announcement was opening up a branch office and having a significant presence in China. Largely, we see that the interior space, premiumization trends, technology trends in China are way more advanced than today what India sees, and we would be definitely putting in the resources in China to try and get these technology trends into India at a competitive price point, thereby, again, being the first to get these technologies into India and thereby enhancing our content per vehicle.

**Moderator:** The next question is from the line of Hitesh Goel from Aurigin Capital.

**Hitesh Goel:** Sir, I joined a little late. Did you give the IAC revenue for this quarter?

**Ankit Thakral:** IAC revenue for the current quarter was INR317 crores, up by almost 50% from the Q1 of last year, owing to the strong growth in Mahindra & Mahindra PV segment of around 30% to 35%.

**Hitesh Goel:** And this is like-for-like, right? You said how much growth, sorry, again, 50%, right, Almost 50%?

**Ankit Thakral:** This is like-to-like growth. So, there were no tooling revenues in Q1 of last year also. And of course, in the current quarter also, there is no tooling revenue. And if we compare from the Q4 of last year, so the reported revenue is showing a decline, but it was because of that tooling revenues of around INR90 crores to INR100 crores in Q4. The manufacturing revenue from Q4 to Q1 is almost on a, I would say, similar figure of around INR315 crores to INR320 crores.

**Hitesh Goel:** And sir, both in IAC and green fuel, the margins in the vicinity of 17%, 18%, right, EBITDA...

**Ankit Thakral:** So yes, the Greenfuel continue to report EBITDA of around 18%. But while in IAC, although the normalized margins have been, as we have said to anywhere between 17% to 17.5%. But because of the just mentioned the deferment of the price corrections from the customer, which has been subsequently received in Q2. So, the reported margins for IAC because of this deferment was at around 15% to 15.5%.

**Hitesh Goel:** Okay. And sir, my final question basically on the new spaces like ambient lighting, right? So, I think Lumax Industries on their concall said they have started ambient lighting business with Honda. Any orders on that front you're getting from Mahindra or anything you can share?

**Anmol Jain:** So yes, the ambient lighting, specifically for Honda that you mentioned is in the other company, Lumax Industries Limited. It has no bearing on Lumax Auto Technologies Limited. However, with our key client, Mahindra & Mahindra, there are ongoing discussions how can we integrate ambient lighting as a solution as a part of our cockpit and door panel offering.

We do see that there is a sizable market opportunity of ambient lighting going forward. And again, we do not have a confirmed order yet, but we are in advanced stages of trying and securing some of these ambient lighting orders at Lumax Auto Technologies through IAC India.

**Moderator:** The next question is from the line of Amit Hiranandani from PhillipCapital.

- Amit Hiranandani:** Sir, I just wanted to understand how our non-Mahindra customers doing? Are we winning new orders and any growth prospects?
- Anmol Jain:** Are you talking about for IAC?
- Amit Hiranandani:** In general, for the company.
- Anmol Jain:** So, in general for the company, definitely, I think the order book is pretty widely distributed across different OEMs.
- Ankit Thakral:** So, if you see the current order book breakup, although we have not mentioned the customer-wise, so of course, out of the INR1,500 crores, so of course, largely being the IAC one. So of course, the number 1 would be Mahindra & Mahindra.
- But apart from Mahindra & Mahindra, it is widely distributed between the other OEMs also, Maruti, Tata being a key, I would say, contributor in other divisions like mechatronics and alternate fuel segment and also in 2-wheeler customers like HMSI, mainly in this Lumax Alps Alpine JV. So yes, of course, at one time, Mahindra and Mahindra is our number 1 customer, but at the same time, and we are pretty much confident and optimistic of growing the revenues in other OEMs as well.
- Amit Hiranandani:** Right. Sir, secondly, on the Greenfuel side, so how Greenfuel performed in Q1 on a Y-o-Y basis? What was the revenue and EBITDA number? And any new business or customer wins or new product additions in it?
- Ankit Thakral:** So, the reported revenue for the Greenfuel for Q1 was at INR95 crores, I would say, similar EBITDA margins of what we have earlier mentioned at around 18% -- so the revenues for the Greenfuel, although were not part of the consolidated revenues in the Q1 of last year. But if I see the like-to-like growth for the company, it was closer to around 12% to 15% and that will continue to maintain, I would say, for the latter part of the year.
- Anmol Jain:** I think one I would like to add that we have been able to secure a confirmed order for the tubes and fittings product of green fuel. This is the first time any company in India will be localizing this tube and fitting -- across all OEMs, this tube and fitting is currently imported, and we will be the first to market to localize this and hence, trying to secure a significant share of the tube fitting business in India.
- Amit Hiranandani:** So sir, your growth would be how much for the Greenfuel for the midterm 3 years prospects if we can look at?
- Anmol Jain:** I think in terms of, I would say, anywhere between a 15% to 20% CAGR is what is our estimate for the Greenfuel business to grow. And again, this is in line with our overall 20% CAGR mark. So, it continues to be a key vertical for us to scale up.
- Moderator:** The next question is from the line of Vaibhav Shah from DSP Mutual Fund.
- Vaibhav Shah:** Congratulations for a good set of performance. My first question is on order book. So if you can talk about the new order wins in this quarter. If I remember correctly, we had INR1,300-odd

crores of order book, and now we have reported INR1,500-odd crores of order book. So where is this new incremental order wins have come from?

And in FY '26, if I remember correctly, previously, we highlighted that we expect close to INR300-odd crores of order to translate from the order book. The number now given in presentation is roughly INR115 crores. So, have we seen any delay in SOPs or revenue to accrue later? If you can just help us understand on that aspect?

**Anmol Jain:**

So the order book, yes, continues to evolve. We did generate about INR325-odd crores of new orders in quarter 1. Having said that, a lot of the orders which were secured in earlier quarters and got developed and went into SOP were then removed from the order book because they went into the P&L. So, this is a cyclical thing.

But again, we don't see any significant delays as of now, except for one model of Maruti Suzuki, the EV, which was delayed over the last many quarters. And also, we do see certain interim production hiccups, more specifically on the EV platforms, case in point, the Bajaj EV vehicle, primarily because of the rare earth supply.

**Vaibhav Shah:**

Okay. So, these INR300-odd crores, which we anticipated in FY '26 and now we have given INR115 crores, it is a mix of some orders going into SOP and a couple of delays from the customer and which we anticipate to accrue in coming years. That's the way.

**Ankit Thakral:**

That is absolutely correct. So out of the INR300 crores with orders worth around INR200-odd crores, the production of those particular products have started. So, the full quarter impact, I would say, will be visible by -- if not Q2, by Q3 and the later part of the year. And of course, the remaining INR130-odd crores will be going into SOP maybe in the later part of the year.

**Vaibhav Shah:**

Understood, sir. That is helpful. And my second question is on this EBITDA margins. So, in the presentation, we highlight that by FY '28, we want to move towards the 16% EBITDA margin. So, can you help us understand within the current business mix that we have, how do we plan to improve the EBITDA margins?

**Anmol Jain:**

I think it's a combination of multiple things. I think if I look at the order book, 50% or so of the order book sits in the plastics vertical. And as was mentioned earlier on, the Plastics division continues to operate in upwards of close to around 15% to 16% EBITDA. And hence, we are hopeful that it will be margin accretive for the company going forward.

Also, aftermarket, which primarily operates at a much higher EBITDA, maybe close to around 18% to 20% is talking about a pretty buoyant growth going forward with a CAGR of maybe upwards of 20% to 25%. So that also will be margin accretive. And also, Greenfuel as it scales up, operating at 18-odd percent EBITDA margin, that scale will also become margin accretive. So again, there are multiple levers.

And again, certain businesses of mechatronics are also sitting on a very high EBITDA margin, although they have a small base, but all the incremental growth, which is primarily the 40% of the order book, which is coming out of the future and clean mobility, that part is sitting on a much better EBITDA margin than what the consolidated reported number is today. So with that,

we are quite confident that the EBITDA should move forward perhaps closer to 16-odd percent in FY '28 or so.

**Vaibhav Shah:** Understood, sir. This is really helpful. Just a last follow-up. You said aftermarket, you expect it to grow at 20% - 25% in the near term. This is higher versus what we typically see for other products. So, any particular thing which you want to explain? Why do you anticipate a higher growth in the aftermarket vertical?

**Anmol Jain:** So primarily two factors, as was mentioned earlier on. Number one, there is an aggressive product expansion where we will go and get into new product offerings. And second is that we are now focusing more significantly on the demand generation at the retail end, right at the mechanic end rather than just being focused on the channel partners.

So again, there is a shift towards the strategy of demand generation and a wider product portfolio offering. With these two, we have already started seeing a good traction in quarter 1. hopeful for it to continue throughout the year.

**Moderator:** The next question is from the line of Vijay Pandey from Nuvama.

**Vijay Pandey:** Just wanted to check on our debt numbers. So how should we look at our debt figures? Should we expect it to come down or you want to maintain it at the current debt level? Or should we expect it to normalize and this will reduce the financing cost also going forward?

**Ankit Thakral:** So of course, our long-term debt figure as of 30th June 2025, stood at around INR600-odd crores. Of course, it was increased by almost INR150 crores because of the purchase consideration for that loan we took for the remaining 25% of IAC. And debt equity ratio as of now, it is around 0.63%, again, well within our internal comfort thresholds.

However, with whatever the repayments that has been lined up in the later part of the financial year, we expect that debt equity ratio to be anyway settle between around 0.45 to 0.5 by the end of this financial year. And accordingly, considering whatever the existing debt structure is there, if the existing structure is to continue, it will decline or I would say it will reduce year.

**Anmol Jain:** So just to supplement that, I think for our organic growth estimation of anywhere between 15% to 17% CAGR, which is mentioned on the investor presentation, we do not anticipate the debt to go up. With the repayment, it would only go down. However, since inorganic growth is also an integral part of our midterm plan, any inorganic growth, which we do would probably come at new debt at the target entity. So, it will be a mix of both. But again, organically growing, we do expect the debt to come down.

**Vijay Pandey:** And our long-term expectation will be around 0.5x debt to equity?

**Ankit Thakral:** Debt equity, of course, at the gross level will be at the end of this financial year. And as just Amol sir mentioned, if it is for the organic growth, of course, this debt equity ratio will continue to decline year-over-year. And at the same time, if you see my free cash reserve also at the consolidated level, it is almost at a level of around INR350 crores to INR375-odd crores and with most of the entities and the divisions earning a well respectable margin, this at the same

time is expected to increase also by end of this financial year and of course, subsequently after that.

**Moderator:** The next question is from the line of Dhaval Shah from Girik Capital.

**Dhaval Shah:** Sir, just one question -- so this long-term guidance, what we've given and if you just look at from a, say, next 2-year perspective, looking at the underlying auto industry growth, we've had a great last 2 - 3 years for the domestic auto. So apart from Mahindra, what gives you the confidence to achieve this growth where every OEM is getting a bit cautious in their outlook and we see the numbers. So, if you can just help us understand this kind of growth, how do we plan to achieve?

**Anmol Jain:** So, as I mentioned, Mr. Shah, I think the growth driver is not just Mahindra or IAC. The diversity of Lumax Auto Technologies works in its favor and advantage to insulate us from the headwinds which are there in the industry. I mentioned the aftermarket, which for the current year possibly will probably grow at about 15-odd percent. But again, in a midterm, over the next 2 to 3 years, the whole idea is to try and bring it towards a 20% plus growth rate.

Similarly, the mechatronics vertical, which today is perhaps not a significant portion, but that itself from an order book is sizable. And I do expect that vertical to be upwards of INR500-odd crores over the next couple of years. So, it will grow at maybe upwards of 30% - 35% CAGR - - and thirdly, the Greenfuel.

This is, again, with the entrance of Lumax, we will try to improve our wallet share across OEMs like Tata and Maruti Suzuki. So again, our growth is not limited to the organic volume growth the customers deliver. It is actually coming on a value growth proposition, which is by increasing our content per vehicle offering and increasing our current wallet share significantly over the next few years.

**Moderator:** The next question is from the line of Suvaan Mittal from MFC

**Suvaan Mittal:** I have one question where I could not understand one point. In PPT, nowhere mentioned what kind of capacity utilization we operate on? And do we have any operating leverage yet to kick in? So, if you could just clarify like can we quantify our capacity utilization? And if yes, what are we operating and beyond which do we expect the benefits of operating leverage to kick in because you are also also expanding?

**Anmol Jain:** That's correct. The capacity utilization for us would be more persistent for just a few product lines, which add significant, let's say, overall pie to the revenue. Having a very diverse product portfolio, it would be very difficult to give the capacity utilization for each and every product line.

But again, sure, we'll try to give some flavor in terms of where we stand in terms of capacity utilization across certain key products and how the operating leverage will kick in. But again, if you look at a consolidated basis, we do feel that a lot of the operating leverage is already kicking in with respect to our fixed cost structure. But we'll try and present this over the next quarter.

**Suvaan Mittal:**

And secondly, sir, last question, obviously, for the aggressive growth that we are planning, we will, I believe, have to keep this run rate of CapEx every year as it is right now. And do you see any risk that this can backfire only when the industry decelerates and our product portfolio is not able to kick as well, so is our product portfolio actually so diversified that even if the auto industry goes up or down, we'll still be able to maintain the growth rate.

**Anmol Jain:**

I think, of course, we are directly correlated with the auto industry. I don't think it would be right to say that irrespective of what happens to the auto industry, we will be continuing to grow. However, we are fairly well insulated based on our diversity of product offerings, based on diversity of our customer portfolio.

And again, the reason why I mentioned earlier that the capex needs would be not significantly in the same ratio as in the last few years is because our asset turn ratio over the next 3 to 5 years is significantly going to change because, as I mentioned, Greenfuel is not a very capital-intensive business. It continues to grow at a significantly higher EBITDA.

Same is the case with aftermarket. And again, IAC India also, even though there are capex needs, but we are seeing a better content per vehicle value realization in the future models. So, then the ATR of the company will continue to grow.

**Moderator:**

Due to time constraints, that was the last question. I now hand the conference over to Mr. Anmol Jain, Managing Director of Lumax Auto Technologies Limited, for closing comments. Over to you, sir.

**Anmol Jain:**

Well, thank you once again for joining the Q1 FY '26 earnings call. We do appreciate your continued engagement with the company. For any additional information and clarifications, please feel free to reach out to us or our Investor Relations advisors at Adfactors PR. We remain committed to keeping the investor community regularly updated on the company's progress. Thank you, and wish you all a great day ahead.

**Moderator:**

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