



“Talbro's Automotive Components Limited Q4 & FY 2022 Earnings Conference Call”

May 24, 2022

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Management

1. Mr. Anuj Talwar - Joint Managing Director
2. Mr. Navin Juneja - Director & Group Chief Financial Officer



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Moderator: Ladies and gentlemen, good day and welcome to Q4 FY2022 Earnings Conference Call of Talbro's Automotive Components 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 on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a remainder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anuj Talwar, Joint Managing Director of Talbro's Automotive Components Limited. Thank you and over to you Mr. Talwar!

Anuj Talwar: Thank you so much. Good morning everybody and a very warm welcome to our Q4 earnings and financial year earnings of 2022. I hope you all are staying safe and healthy. On the call today, I am joined by Mr. Navin Juneja, our Director on the Board of Talbro's and our Group CFO. We also have SGA, our Investor Relation Advisors joining us from Mumbai. The results and the presentation are uploaded on the stock exchange and the company website. Let me begin with the industry and the overall economic environment at the moment.

The overall auto industry has seen degrowth of 6% in FY2022. Sales of all segments that are passenger vehicles, commercial vehicles, two wheelers, three wheelers are still below 2018-2019 levels despite some recovery from a low base. Despite that situation our company has outperformed at all levels. Our revenue grew by 29% to 585 Crores, our EBITDA to 29% to 83 Crores and we also reported a highest ever profit after tax at 45 Crores, which was a growth of 84% over last year. As committed we are keeping in pace with all technologies at the moment and also looking actively at getting a larger market share in both domestic and global markets. As we have stated in the past and still state once again this is a very challenging year but being a hedged auto component company supplying to all vehicle platforms from two wheelers, three wheelers to four wheelers to passenger cars, heavy duty, lightweight commercial vehicles, agriculture, exports, domestic, tractor industry we were able to maintain a good profit margin.

A quick highlight about Talbro's Automotive and our joint ventures, as mentioned to you earlier we are a diversified auto comp player across all segments. Our business is broadly divided into our standalone business, which is our gaskets and our forging business and three joint ventures with global auto leaders in gasket, chassis, and rubber components. In a



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standalone gasket business we continue to dominate in India with our market share being in excess of 50%. I am happy to announce out here that we have successfully started our heat shield business line with some good business orders that we won, which will commence in this financial year and also making good inroads in exports with this division. Forging business continues to perform well with almost 48% contribution coming from the export portfolio could have done slightly better, but some of our customers had semiconductor shortage globally, which resulted in a little bit of sluggishness in Q4.

Our joint venture with Marelli is a 50:50 joint venture to develop and manufacture chassis components, front axles, rear axles and from this joint venture we are supplying a lot of components to the electrical vehicle market especially with one of the large OEMs like Tata motors. Not to mention in forging also we do supply to electric vehicles globally. Talbro's Marugo our rubber joint venture with Marugo Japan manufactured rubber components as well as hoses. Our FY2022 sales in the domestic segment about 26% came from two and three wheelers, which has come down a bit over the last two years obviously with the two-wheeler market having its own struggles with EV as well as the fuel prices being very high, but hopefully with this new cut the government has announced on excise duty we may see a recovery in this financial year. 28% of our domestic revenues came from passenger vehicles led by Maruti and Tata, which are doing pretty well and about 28% came from heavy commercial vehicles, 10% came from the agri sector so you can see it is a very hedged and a diversified portfolio. Our exports are doing well. Our export constitutes about 24% to 25% of our turnover and our endeavor as committed earlier also is try and hit the 30% mark over the next two to three years over a larger turnover. Just to before hand the call over to Navin overtake you through all the numbers I think Talbro's is in a good position even now even though we face lot of headwinds and inflation and cost measures, but we are going to try our best to improve the performance and try and carefully capture a larger market share within India as well as in the global markets. I will hand the call to Navin now.

Navin Juneja:

Thank you Anuj. Good morning and a warm welcome to all the participants. Let me begin with the financial overviews. In the gasket division including Nippon Leakless Talbro's for FY2022 our standalone gasket sale was Rs.382 Crores as against Rs.287 Crores in FY2021, a growth of 33%. Total revenue on Nippon Leakless was 74 Crores in FY2022 as compared to 83 Crores in FY2021. The major reason is that we developed a new BSVI gasket for Hero with the localized steel and the selling price came down by approximately 20% because of that. This segment saw a combined EBITDA of 70 Crores in FY2022 versus Rs.50 Crores in FY2021, a growth of 40%.



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Now, coming to the forging division, the forging business is consistently performing well. The revenue in FY2022 is Rs.204 Crores as against Rs.170 Crores in FY2021, a growth of 20%, but here the last quarter the export because of the semiconductor issues that was a little bit came down and that is what in the last quarter it was only 48% generally it is 50% plus. Now coming to our Marelli Talbro's Chassis System Private Limited revenue for FY2022 stood at 165 Crores versus 124 Crores in FY2021 registering a growth of 32%. Talbro's Marugo Private Limited revenue stood at 55 Crores in FY2022 versus 41 Crores in FY2021, a growth of 33%.

Now coming to the consolidated financial performance of the company, for FY2022 revenue has grown by 29% to Rs.585 Crores. Our ability of reporting multi years orders have helped us to achieve growth in such a challenging environment. EBITDA grew in line with revenue by 29% to 83 Crores. We have recovered major portion of price increases for our major OEMs, we are closely monitoring the commodity market and continuously working with our customers on the pass-through front. Our PAT stood at 45 Crores for FY2022 highest ever profit the company has achieved. PAT grew by 84% on Y-o-Y basis. Our ROCE for FY2022 stood at 16.3%, our ROE of FY2022 stood at 16.3% let me check and come back to you. Gross debt at the end of March 2022 stood at 89 Crores. We have continuously reduced our debt and our current debt to equity ratio is 0.29%. The Board of Directors has recommended a final dividend of Rs.1.5 per equity share for FY2022, in addition to that interim dividend of Rs.1 per equity share of face value of 10 to be paid, the total dividend is Rs.2.5 per equity share that is 25% of the face value.

We continue to witness strong momentum and benefits of our hedged portfolio and accordingly we foresee higher ever profitability of Talbro's in FY2023. For FY2023 we are working on multiple orders across exports and domestic markets and across various segments of OEMs. As some orders achieved in FY2020 and FY2021 we see a full year of cushion in the current financial year. We remain confident of achieving growth over FY2022 in revenue terms; however, we are facing some medium-term challenges on raw material inflation, logistics, so we refrain in guiding margins for FY2023 and revisit this post Q2. Structurally on long-term basis we believe that we are in a substantial margin movement environment. That is all from our side and I would like to open the floor for the question and answers. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen we will wait for a moment while the question queue assembles. The first question is from the line of Sanket B from Kedia Securities. Please go ahead.



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Sanket B: Firstly, congratulations on good set of results. Just wanted to understand in regards to our heat shield product, which is our transfer of technology with Sanwa, what could be the market potential for us going forward?

Anuj Talwar: Regarding heat shield we are in the process of learning the technology from Sanwa and just want to tell you there is senior engineer from Sanwa is stationed in our factory and he is here for the next 45 days and he will install the machines, tell us the processes and he will do everything for us and he will visit our customers, so we are having a very good traction in this business. If we see my order book of this heatshield business as of today, which our business has been closed in approximately to a tune of 35 to 40 Crores, we already closed the businesses, of course the burden will take some time and I think within that six months this figure can touch up to 40 Crores to 45 Crores, we are getting very good traction over there.

Sanket B: Understood and secondly is the management looking for anymore inorganic acquisitions or partnerships or any investments like the one which we did in Lohum or any update how it is going with Lohum and it can benefit us ?

Navin Juneja: We are always open for looking for some investments in developing technology and new products, we are always open and we are looking for that, but unfortunately nothing is there as of right now for us because the market is very, very few, so we are working more towards surviving of business first, and there is a very good scope in expanding our business at present. Have you seen the growth of 33% that 30% on total loss basis in this last financial year in spite of major challenges of COVID in April-May you know that what has happened, but there is a huge scope in our heat shield business, in gasket business cummins and our export customers like GLR there is a huge scope going forward and forging is a portion you can go anywhere in that, so we are working towards that, but our eyes and ears are open and we are open to take any project and acquire any technology and for anything we are always open to that.

Anuj Talwar: I like to add to what Navin said at the moment we have a good order book in all our divisions number one, number two the export markets are looking very, very interesting and a lot of other OEMs in the world are looking at us to change from heavy weights to light weighting forging, which we are working on, which there will be more clarity after let us say Q1, at the same time there is a lot of potential in the Indian market as well with our product portfolio, even Marugo Rubber is now working with Maruti on some new kind of hoses going forward in the future with the new biofuel engines so at the moment organically also you look at it there is enough potential in the company to look at high return ratios in



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challenging environment and at the same time keeping our debt levels at an optimum level. We are always open for new ideas, new technologies always.

- Sanket B:** The investment in Lohum is just from the investment perspective or are there any specific benefits to us?
- Anuj Talwar:** Lohum is not a part of Talbro's Automotive.
- Sanket B:** Understood and can you tell us about any which is going on the R&D side?
- Anuj Talwar:** R&D we are working on light weighted heat shields, we are trying to work on under body heat shields, we are working on some cylinder gaskets for a large OE customer, we are working on some other components for electric vehicles or light weighting suspend control arms, we try to work something on the export market is always ongoing, hoses like I mentioned to you for future models of Maruti that is an ongoing process.
- Sanket B:** With the customers like Tata motors they are going in a big way and we say that with Hyundai and Kia, so even Ashok Leyland for that matter in heavy commercial vehicle, so what type of comments are we getting from there and how do we see market developing with these customers?
- Anuj Talwar:** In Tata Motors from our Marelli joint venture for the EV vehicles we are supplying our products, proud to say that in Tata Motors PV segment which is ICE engine and EV of a product, which is called the suspension control arm our market share 70%. We are making more inroads with Ashok Leyland also, although our large customers in our gasket division is coming followed by Tata Motors and Volvo Eicher. Ashok Leyland being located in the south, we are now making a few more inroads into them as well, so that is an ongoing process.
- Navin Juneja:** We are developing smart heatshield for the Tata EV vehicle also and also to your last question Hyundai and Kia we are commencing production in June for heatshield from our gasket division.
- Sanket B:** Any benefits which are coming to us as a part of PLI or any other schemes which the government is announcing like we are not the direct beneficiaries for any of the scheme, but any indirect benefits flowing to us?
- Anuj Talwar:** Indirect benefits in the sense the more these companies like Kia because of localization forcing the localization on these people to enable to avail PLI, of course we are getting good



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traction from Kia and Hyundai who are importing these gaskets and Maruti also is giving us heat shield business because they are presently importing all these things, so the import substitution is happening and we are getting benefit of that.

Sanket B: Thanks for answering all my questions and best of luck.

Moderator: Thank you. The next question is from the line of Harshil Solanki from Equitree Capital. Please go ahead.

Harshil Solanki: Good morning, team. I had two broad questions. Firstly the industry has been struggling since the last three years, but Talbro's has done very well, ROE has improved and the debt has also reduced, so I wanted to know what has the company done differently to outperform and where do you see the growth coming from when the industry recover and the second point is Marelli our JV partner has recently launched a wireless system for EV battery so will that product flow into our JV in the future?

Anuj Talwar: First question regarding how we have outperformed the industry and performed well as compared to the industry, there are two, three major reasons for that, one is we are not dependent on one company and one segment of auto industry, we are there in every segments you know that we are hedged, number two our export is 24, 25 we used to be 15% to 16% three to four years back, number three, we are in the gasket, we are there in the BSVI, we are the only company who has developed BSVI gasket successfully from BSIV to BSVI transition, we are running successfully in all OEMs and we are getting very good traction on that account. Currently on the basis of this our R&D facility and our knowledge in the industry we are getting some new businesses from our gasket from cummins you know that we have got business of that, that is giving us a very good traction I am just pleased to announce that at present my capacity is around 8000 to 10000 per month and keeping in that our company is expecting to double this volume and they have ordered us to setup one more set of lines, which will be operational by October of this year, so based on these three, four sectors and factors and plus forging, our major customers like BMW, JLR everything are growing and we track them and our cost delivery everything, quality has helped us in going distance that is the major reason. Can you repeat the second question I just missed that.

Harshil Solanki: Marelli is basically our JV partner has launched a wireless system for EV battery recently, so will that technology go into our JV in the future?

Anuj Talwar: No, our JV is for the suspension and related components not in that.



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- Harshil Solanki:** Got it. That is all. Thank you.
- Moderator:** Thank you. The next question is from the line of Naysar Parikh from Native Capital. Please go ahead.
- Naysar Parikh:** Thank you for this opportunity. My question is on EV, when we look at the current revenue scheme what percentage of revenue or what percentage of our product are actually will be available when it comes to EVs?
- Anuj Talwar:** If it comes to our gasket division I think there is hardly anything in EV at present maybe after six months, nine months might when heat shield starts going and will go into EV and on this forging division I think about 25 Crores to 30 Crores the business of course 10% business is supplying to EV vehicles in Magneti Marelli I think it is around much more than that it is about 15% to 20% is going to the EV vehicles that is the breakup.
- Naysar Parikh:** How much of the business is with EV in 2024-2025?
- Anuj Talwar:** First of all if I go through the transition from ICE to EV the maximum is three wheelers, the three wheeler have in FY2022 227000 three wheeler will be there and out of which 4.3% is EV in this year FY2021-FY2022, by FY2025-FY2026 they are saying this 227000 it should be 600000 three wheelers out of which 26% to 27% will be EV, if you take out 26% to 27% in absolute number still IC growth is there. If we come to two-wheelers, two-wheelers for the last financial year ended 2022, total two-wheeler registration is approximately 12.3 million out of which 1.8% is EV and by 2026 they are saying this 12.3 million Will be around 19 million and out of which 12% to 13% will be EV, so if I take that into account that we are not seeing any long fall in IC engines going forward, IC will be there and EV will be there, but next three, four years we do not think the two-wheeler sales will come down, we are not there in passenger vehicles and in the commercial vehicles there is no threat at all, we are major driver of commercial vehicles in business, of course we are there in two-wheelers in a big way, but at present we do not see any threat to that.
- Naysar Parikh:** Got it, that is helpful and as of today how much revenue do we get from sale through EV?
- Anuj Talwar:** At present it would take 724 consolidated sale proportion to our JV, our position will be around 3% to 4%.
- Naysar Parikh:** Got it Sir. Thank you, I will come back in the queue.
- Moderator:** Thank you. The next question is from the line of Dipen Shah from HNI. Please go ahead.



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Dipen Shah: Good evening and good morning and thank you for the opportunity. First of all congrats on a good set of numbers in these trying times. I had just one question on the margins, Mr. Juneja mentioned that there are a few challenges as far as raw material costs are concerned, if you could just give us some more insight on how things pan out in the first and the second quarter as compared to what we were in the fourth quarter and in light of the recent duty cuts and reduction in the steel prices how do you see the scenario panning forward maybe in the next couple of quarters? Thank you so much.

Anuj Talwar: First of all let us not look at quarter-to-quarter, when the prices are going up is because some price increases which happen for two quarters, some be just a quarter I think we should see the margin for the total year, the EBITDA margin is around 14% and nobody at 100% recovery you know that of course we have to lost something, but we are trying to recover 95% we can say in prices we have recovered that in that year and in the last quarter it is a combination of various factors because Marugo price increase we got in the last quarter for the full six months so that is I am talking about full year and in the freight first time we have to face the freight price increases I think most of our customers are given, somebody has given 75%, somebody has given 80%, but BMW unfortunately for six months we are not able to recover, but we are still fighting with them. So going forward we just write in the paper antidumping duty, etc., is there in the steel sector, so steel is going to come down, as of now nothing is on the ground of course that will come after one month or so, if it has come the way we have give price increases of course we will get the benefit of that, of course we will get the price increase after six months, nine months whatever it is, so let us see how it goes in the industry, and we have also faced the challenge of the foreign currency like dollar is going crazy and you know that dollar is going crazy these days and we are reporting in gasket some materials in dollar. On the export front we are a major exporter in forging in Europe and euro is again weakening in rupee, so there also there is a price settlement after every six months, average price of last six months has been considered for the next six months, so these are the business challenges we have to accept that sometimes it goes on our favour sometimes it goes against us, but we are hopeful to able to maintain same type of margin nearby not on a yearly basis, not quarter wise, it may be 13.75% in one quarter, 14.25 in the next quarter, so along this I am hopeful we have ability to maintain 14 plus EBITDA next year, we try to work on that.

Dipen Shah: That is nice to hear and on the other side any further levers, which are available in terms of protecting the margin say localization of content further than what we have done or will be any other levers which you could have?



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Anuj Talwar: So, we are constantly working on localization, but the problem here lies because our product is very, very, in gasket pole is imported, there is no import first of all I want to clarify and gasket the quality we need to check very, very deeply plus In Cummins and Volvo **the raw material** sources are approved globally, so this amount comes on that front, we have very low prices on that front but people like Hero, Bajaj they are working on localization, Hero is still not there, but Bajaj. We are starting to giving them local material and we are supplying that.

Dipen Shah: Thank you very much and all the very best.

Moderator: Thank you. The next question is from the line of Jyoti Singh from Arihant Capital Market. Please go ahead.

Jyoti Singh: Thank you for the opportunity and congrats on the good set of numbers. Sir, my question I had, if you can guide us for the revenue growth for FY2023 and FY2024 and similar on the margin side and another question if you can comment on the PLI approved products of Talbro's?

Anuj Talwar: Yes, we have already said I am not in a position to give you I think guidance at this moment because of you know what is happening all over the world, but it is when you say that we are able to achieve double digit growth in the next year, that I can say definitely with confidence, but for guidance I say no, after first quarter we are able to have a better picture and I am able to do that, second margin we just picked before that I will try to maintain that we will work to maintain the margin which we are getting right now because I think we are still going in our rubber components, in our chemicals, in our reported steel and dollar also has gone up from 75 to 76 and touching now 78 and your third question PLI we are not getting direct benefit of PLI of course I have mentioned in the earlier call also we are getting the indirect benefit of PLI because the internal manufacturers are localize lot of components and we are getting the benefit of that.

Jyoti Singh: Thank you.

Moderator: Thank you. The next question is from the line of Kunal Patel from Equiligence Capital Advisors. Please go ahead.

Kunal Patel: Sir, thanks for the opportunity. Sir, my first question is regarding the industry, so when we hear the commentary from auto OEMs firstly the CV players, they are quite confident of achieving FY2019 numbers in this year, so what kind of traction do you see on this side of business?



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- Anuj Talwar:** I can definitely say that if the industry grow by 10% we will grow more than that that I can say, of course they are very confident and we are also confident but let us how the thing moves. Commercial vehicle has given a positive guidance that is capex happening from the government point of view is also private but it will fluctuate, I have been in talks with a lot of my OEMs on a personal basis who I know they all are saying there is demand, there is semiconductor shortage, there is an interstate hike on the corner, there are fluctuations happening, but there is overall demand is there in the industry, so as we mentioned you we will outperform the industry that we will do. Let things settle down a bit.
- Kunal Patel:** Does that reflect in our order book as of now or we will have to wait for another quarter to be confirmed?
- Anuj Talwar:** The orders are there it is not an issue, we are focused on that for the month of May that I can assure, and for future orders which are being closed we have a couple of months more will have a better clarity, but no issues per se.
- Kunal Patel:** Sir, second question is regarding our product pipeline so how many products that we have developed are in prototype stage, how many are under final approvals almost that can be commercialized over the next six months and any product that you see can add in topline over the next two to three years?
- Anuj Talwar:** The current projection in growth rate of all quality products has been secured, developed given to the OEM, regarding future orders there are several orders in the pipeline, but as I mentioned you I need maybe couple of months more to make an announcement.
- Kunal Patel:** Any new customers we have added on the export side in the last quarter?
- Anuj Talwar:** Yes, we are in the process of adding a few more customers and we have added a few so that is an ongoing process, yes, we have, but again just wait for a couple of weeks or a month or so for me to announce.
- Kunal Patel:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Riya Verma from Oracle Securities. Please go ahead.
- Riya Verma:** Sir, most of my questions have been answered, so I only have two, firstly on the capacity utilization, so what is the capacity utilization in Q4 and FY2022, do we have any capacity expansion plans and what kind of revenue can we expect in this?



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Anuj Talwar: My capacity if we talk about the gaskets it is around 80% plus and in forging it is about 65% to 70% in our forging side, but machining it is 90% plus. If I talk about our Magneti Marelli its capacity is around 70%, and if we talk about Marugo Rubber is 90% and hoses around 40% it will go by the way the things are moving it can go to 70% in the next six months and Nippon Leakless is around 65% and the capex is of course when we spending our capacity in the upcoming gasket division specially in the heat shield side plus I have no gasket for our export customers I will be spending around 20 Crores this year in our gasket division which I think after doing that I can easily get around 38 Crores or 39 Crores per month and keeping in the I am talking about and secondly in the forging we will be spending another 15 Crores with this my capacity will be around 22 Crores to 23 Crores per month in that around 300 you can say we need do that this year for the next financial year these are the major capex that we are doing this year.

Riya Verma: Sure and secondly, who are the top customers in the gasket and forging business and how much in these top five or top ten contribute to the businesses?

Anuj Talwar: In the gasket business my top customers is Bajaj Auto 66 Crores, Tata Cummins 64 Crores, Tata Motor 24 Crores, VCV 18, Hero MotoCorp 17 Crores, John Deere 15 Crores then comes export customers of Cummins some 10 Crores Jaguar 10 crores some of these are the aftermarket 7 Crores to 9 Crores and in the forging front my major customers are BMW 44 Crores, Dana Italia 38 Crores, GTL Italy 33 Crores, Carraro 19 Crores, Dana India 15 Crores, JLR 13 Crores export and Musashi 8 Crores these are models

Riya Verma: That is very helpful. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Naysar Parikh from Native Capital. Please go ahead.

Naysar Parikh: Thank you for the opportunity again, I just wanted to understand your margins as far as the gasket and forging also OEM Vs Exports?

Anuj Talwar: EBITDA margin in the gasket business for the last year is around 14% and in the forging business for the year it is approximately 14.5% and if see the last three years we have increase in EBITDA in gasket by 1.5% and forging is again fluctuating from 16%, 14% to 14.5, 15% depending on the orders and export.

Naysar Parikh: Sir, the margins for OEM versus exports?

Anuj Talwar: 3% to 4% in gasket and 5% to 6% in forging.



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Naysar Parikh: Got it and can you throw some light on the order book what is the order book today and what is the order in Q3 and Q4?

Anuj Talwar: As you know that of course what should I say because no customer give you full year position by the way, we are with the customers the way they move we will move, we are single source of Cummins, we are single source of Bajaj, we are single source of ECB, we are 60% of Tata Motors, if they all grow by 20% of course we will also grow by that way and regarding some export customers and the way the global sales goes up we are the single source for some on component, so we will grow there, it is very difficult to tell it today because it keep on fluctuating it is very, very difficult of course the growth will be there, but it will be 10%, 20%, but they are also not giving full year projections and if they give the full year projections they are bound to be by that projection they can change that projection also.

Naysar Parikh: Got it and last question is on pricing how does the pricing work, how easier to revise your pricing especially with what is happening with raw materials even you will have long-term relationship?

Anuj Talwar: Yew, in all our four customers we have formula for pricing, for some it is every quarter, some are after six months, in Maruti every quarter, in my customers Cummins six monthly Volvo six monthly, Bajaj six monthly, so in that core customers we also define that raw material prices. The core customers in the case of after one month we increase the steel if the raw material goes up, regarding exchange after six months so we have agreement with everyone aftermarket is open, open demand.

Naysar Parikh: Thank you Sir.

Moderator: Thank you. The next question is from the line of Rajiv Ray, an Individual Investor. Please go ahead.

Rajiv Ray: Good afternoon Sir. Just wanted to have an idea on the segmental distribution in the domestic side over the last three years the passenger vehicle and two-wheeler contribution has gradually come down in FY2022, so what is the reason for this?

Anuj Talwar: I think the heavy duty has gone up, the reason is that after BSVI implementation our gasket business line the value per engine has gone up by almost 2% to 2.5% three times that is the reason and there is a degrowth in two-wheeler for the last year also we can see that, two-wheeler is degrowing. We are not talking about the market share, we have not lost customers, we have added customers, there is a general degrowth in the segment, CV



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forging if we were in the right product, invested in the right technology at the right time and we are able to help to do a lot of localization who are our top customers and indeed value content our vehicle.

Rajiv Ray: EV section comes under this bifurcation, Sir?

Anuj Talwar: Basically it is in passenger vehicles.

Rajiv Ray: As you mentioned it is around 3% to 4%?

Anuj Talwar: Yes.

Rajiv Ray: Where do you see this to go up any contribution to the entire revenue?

Anuj Talwar: I think it is going forward, it is going to 7% to 8% in the two-year time definitely.

Rajiv Ray: Fine, Sir. Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Anuj Talwar: I would like to thank you all for joining the call. I hope that we were able to answer your questions. For any further queries you may get in touch with SGA and they will be happy to forward them to us we will address all your questions. Thank you, stay safe, stay healthy, all the best. Thank you.

Moderator: Thank you. On behalf of Talbro's Automotive Components Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.