



“Talbro's Automotive Components Limited  
Q2 FY2021 Earnings Conference Call”

November 10, 2020



**MANAGEMENT:**

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**Moderator:** Ladies and gentlemen good day and welcome to Talbro's Automotive Components Limited Q2 FY2021 Earnings Conference Call. 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 the date of this call. These statements are not the guarantees of future performance and 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 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 Sir!

**Anuj Talwar:** Thank you so much. A very good afternoon everyone and a very warm welcome to our Q2 earnings call. I hope you are all staying safe and healthy. On the call today, I am joined by Mr. Navin Juneja, our Director on the Board and our Group CFO. We also have SGA on the line, our Investor Relation Advisors.

The results and the presentation are uploaded on the stock exchange and the company website. I hope everyone has had a chance to look at it. Before I get into any details about industry and our performance, I just like to highlight that we are extremely pleased about our performance in Q2. I will let Mr. Juneja talk in detail about these numbers, but it is a very heart-warming performance by our company.

Let me begin with a few updates on the industry. The affects of COVID on the auto industry are still extensive. The entire world was chasing around to absorb the collapsing demand and the pause of supply chain. India's auto sector, which contributes for more than 7% to the nations GDP was struggling with the extended slowdown when the lockdown happened. Who knew that the safety of an individual will be at the cost of huge impact on the economy! However, the human being is a smart creature and he always finds a way out and adopts.

The world has started living in the new normal, which is indeed transformative. There is a fundamental change in demand by the consumers within the auto segment, which should not be overlooked by the industry and must adopt to capture the market share. There have been several first-time buyers. A lot of shift has happened from shared mobility to personal mobility and this you will also see has resulted in the auto industry doing very, very well in the quarter.

The automakers are emerging from the persistent downfall over the past few quarters. The festive season linked with personal mobility and pent up demand has illuminated the demand and the automakers are hoping for the recovery will last longer even after the festive season is over. As per the data published by SIAM the total production of vehicles for the quarter ended September 30, 2020 showed a degrowth of negative 7% as compared to the same period last year. While on



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the monthly basis there was improvement in performance. The total production of passenger vehicles, three wheelers and two wheelers declined in the month of July showed degrowth of 29% and in August 3% while September finally showed a growth of 12% over last year September. Basically, it was the Q2 is showing decline of negative 7%. The real growth started coming in the month of September. First it was the tractor, which came to the growth, then were the two wheelers and then finally the passenger cars.

I am proud to announce that in the challenging times, Talbro's counter efforts to build a strong order book is giving us fruitful results. We are in the process of executing an order book of \$31 million over the next five years for both domestic and the international market. We are constantly working on increasing our export percentage to our topline in which you will see in the presentation how it is moving in the right direction.

Let me give you a quick brief about our company. Our business is broadly divided into standalone business with gaskets and forging and our three joint ventures with global autocom leaders for gaskets, suspension and chassis and as well as anti-vibration components and hoses. We are a very hedged auto component supplier. Of our domestic sales 36% from two and three wheelers, 28% comes from the passenger car segment, 18% comes from the heavy-duty combustion vehicles, 11% comes from the agri and the off roader. So, we are part of the entire spectrum of the products that are manufactured within the country as well as internationally.

Let me give you some details on the segment wise business. Let us start with the gasket and the forging, which is standalone on business. In our standalone gasket business, we continue to hold a healthy market share domestically. We are the leaders in the country, and we are ahead of competition by a long way. Our focus on BSVI product line and of the export business is really helping the cause of the gasket division. Along with the joint venture, we hold nearly of 50% market share in this segment in our country. As I have mentioned to you earlier, we have worked very, very hard to move from BSIV components to BSVI components because as you know a gasket is a product that gets fitted on the engine and all the engines have changed from BSIV to BSVI. We have successfully commissioned all our OEMs with our BSVI product line, which also helps in adding some increase in value per component for our division in the commercial vehicle space.

We are particularly focused towards giving our utilization levels of a post coating lines as this will reduce our imports and result in cost saving. Our continued persistence with our raw material supplier called Lydall is helping us getting local materials supplied to us from Q3 onwards in India itself. This will tremendously improve reducing the operational cost. It has reduced working capital days and help in return ratios. I am very proud to announce that we have made very significant inroads into the heatshield product line within the country. We have secured some large orders from domestic OEMs for the first time in India for the heatshield product line. This is the product of the future, is a product for noise, vibration and heat and is something,



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which is going to be there for a long, long time and we have secured orders from the three bigger carmakers in the country.

The forging business is an outlier this year and, in this quarter, which Navin will take you through once he talks to you about the numbers, but we are getting a lot of traction from our customers both domestically as well as internationally on the current businesses and going forward. Our forging business has a market share of 50% in exports. This is an achievement that we are very proud of that we are exporting almost half of the revenue is exported throughout the world. We are also now moving to heavy value machine components, which will improve our margin trajectory, which will also see in the numbers in the speech ahead. We have completed the internation of 2500 tons press and now we are a one stop forging plus machining house for 750 tonnes to 2500 tonnes.

Coming to our joint ventures, we have a joint venture with Magneti Marelli, which is a very large predominant based out of Europe. This is for basically chassis components. Even in our joint venture with Marelli Talbro's, we continue to supply to the leading car makers in our country for special components and we also have our export percentage of about 25% from leading car markers in Europe at the moment. Talbro's Marugo is one of our youngest companies. This became a joint venture with Marugo Rubber, Japan. This company manufactures ant-vibration components and rubber components and hoses for the automobile industry. Here also, we are very proud to say, we did face a lot of headwinds out here with the diesel ban work for the diesel engines, but we very swiftly moved the product portfolio towards petrol vehicles and we are supplying in a big way to car makers and also exporting back into Japan.

All I can say is we are a multiproduct company into multiple segments. Our strategy to gain market share domestically and to keep knocking on the doors of global OEMs is paying us dividends. I am pretty hopeful that the growth that we saw in Q2, I am very hopeful that the momentum continues in Q3 and Q4 because I still feel that the commercial vehicles are yet to pick up speed and we are a dominant player. With this, I will let Mr. Juneja to update you on the financials for the quarter. Thank you so much.

**Navin Juneja:**

Thank you Anuj. Good afternoon and a warm welcome to all the participants. Let me begin with the financial overview. In the gasket division including our JV Nippon Leakless Talbro's. For Q2 of FY2021 our standalone gasket sale was Rs.67 Crores as against Rs.61 Crores in Q2 of FY2020, a 9% growth we achieved in that quarter. On a half yearly basis, we reported Rs.98 Crores revenue as compared to Rs.134 Crores in the previous year the same half yearly basis. Revenue of Nippon Leakless was Rs.11 Crores in Q2 of FY2021 same as Q2 of FY2020. This segment saw EBITDA of almost of about Rs.11.4 Crores for Q2 of FY2021, 10% growth Y-O-Y basis.



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Forging division, the forging business has continued to perform well. The revenue in Q2 FY2021 was at Rs.42 Crores as against Rs.30 Crores in Q2 FY2020, a healthy growth of 38%, which is the highest growth among all the product segments of our company.

Now coming to Magneti Marelli Talbro's Private Limited, our share in the total income for Q2 FY2021 stood at Rs.16.2 Crores versus Rs.15.8 Crores in Q2 of FY2020. Coming to now to Talbro's Marugo Private Limited, our share in total income for Q2 FY2021 stands at Rs.5.5 Crores vis-à-vis Rs.5.6 Crores in Q2 of FY2020.

Now coming to the consolidated financial performance of the company, total income including other incomes stood at Rs.110 Crores in Q2 FY2021 as against Rs.92 Crores in Q2 of FY2020. Talbro's reported double-digit revenue growth on year-on-year basis during the current quarter and has more than doubled the revenue as compared to Q1 of FY2021. EBITDA including other income stood at Rs.17 Crores in Q2 of FY2021 as against Rs.10 Crores in Q2 of FY2020. Continuous focus on cost optimization resulted in positive EBITDA during these challenging times.

Our PAT stood at Rs.10 Crores in Q2 of FY2021 as compared to Rs.3 Crores of Q2 of FY2020. From October onwards, again the various costs cutting measures which we had undertaken. One of the costs cutting measures was the salary cut on a graded level among all the employees. We have reversed that cut from October 1, 2020 and we hope that with that increase businesses, which we are expecting from the commercial vehicles segment and with our balance cost cutting measures still in force. We expect that they will be hardly any minor drop in our EBITDA level, but will continue for more better than what we did last year. We continue to book orders and add new set of customers along with the long-term relationship with our existing customers. This is all from our side and I would now like to open the floor to 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 Arun Agarwal from Kotak Securities. Please go ahead.

**Arun Agarwal:** Thanks for the opportunity and congratulations on a good set of numbers. Sir firstly on the revenue side could you help us out how do you see revenue growth going ahead in terms of, how do you see under various divisions the revenues could be over the next year to year and a half kind of thing?

**Navin Juneja:** Let us come out of gasket division first. We see that Q3 and Q4 should be at the same level. It should be on the better level not below the Q2. We foresee because October was are good. The November seems to be okay and we foresee because of the commercial segment they are yet to pick up. We should be able to achieve better results as compared to Q2 in gasket division. Next year I think with the vaccine and it will come to India by that time definitely. We will see a better



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growth next year in FY2021 and FY2022 with a new business also coming in force by that time. So, we will see double digit growth in that business definitely. Now coming to the forging division, the order book is strong till now and what we have achieved in the Q2 I think we will be able to match in the next two quarters also and next year on the full year basis, we should be able to achieve a growth of minimum 15% to 20% in this business. Now JVs and coming to MMT. MMT should also able to perform even better in the second half because there was business which was lying low in the first half, which is now started picking up and we should see a good growth in that business and for next year, we are expecting one of the orders, which we received and the order, we will start from next year. So, we see minimum double-digit growth in that business also as compared to next year in FY2021 to FY2022. Now coming to Marugo Rubber the buyback has started. We will start from January onwards and we are very, very hopeful that there is huge buyback of than Rs.10 Crores Marugo will take from our JV. So next year there will be a double-digit growth in this business also. That is what I can say about my business as of today.

**Arun Agarwal:** Sir on the exports, we sounded quite positive? Could you help us what are the opportunities we are looking in exports?

**Navin Juneja:** As we mentioned to you earlier, we have secured orders of about \$30 odd million to be executed cumulatively over the next five years. That is all on track. We have also gotten on some other OEMs with some newer order book, which we will probably have more clarity after November. If all is on track and very positive and I think we should continue the momentum going forward. We are in the process of closing some good businesses with our export customers and will be announced the same as they are closed in the next quarter.

**Arun Agarwal:** Sir how is the after market doing now post gradually opening up the economy now?

**Navin Juneja:** The aftermarket from October has started picking up a little bit. In this quarter we will see definitely growth as compared to Q2 definitely.

**Arun Agarwal:** Sir on the margins, we reported pretty good margins. Now you talked about may be your salaries have been restored from October and so we will see some increase in employee cost going ahead, but with respect to certain cost initiatives that we have taken could you just help us what are those cost items where we are looking at, which will be sort of come down going forward on a structural basis?

**Navin Juneja:** Regarding the one-off imports subscription that is pretty hopeful from January 1, 2021 and the second is our business promotion, we are small, it will be enforced at the end of the year and there is ease of productivity, etc., we have taken activities that is we are full focused on that. So, all these we have increase in topline and good product mix, export being good, doing better share



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of export in the total sales, pretty hopeful that of course we will be able to maintain good EBITDA levels.

**Arun Agarwal:** Sir lastly on the localization of the raw material cost that you talked about could you help us how much positive impact would we see on our working capital cycle because of that any numbers you could give?

**Navin Juneja:** I am talking about Bajaj it is approximately Rs.18 Crores per annum. It will start full production from January 1, 2021. Partly it has started, but in full force it will become more by January 2021. If you see it is an Rs.18 Crores business, my number I have localized. That is the impact of around Rs.5 Crores to Rs.6 Crores of that. This Rs.25 Crores, it will reduce my stock levels by approximately we would say Rs.7 Crores to Rs.8 Crores because I will not need to keep inventory for two months to three months' time. It will automatically result in reduce my time borrowing than the interest on working capital. That you can see from the balance sheet my stocks have come down already from March to September. You can see that. My borrowing has also little bit come down from March levels. You can see that also.

**Arun Agarwal:** But Sir apart from these do you see any other measures or measures we might be taking where we could get capital overall cycle coming down in the next may be couple of years time?

**Anuj Talwar:** We are constantly working on that completely whether it is localization and whether it is for example post coating line may be adding capacity in line, so it is a constant endeavor. You cannot say right now how many more days it will take.

**Navin Juneja:** We have ended two major customers like Volvo and Tata Motors. BSVI gasket, which we were offering post coating. Previously it used to be precoated gaskets. So, my ports of the peak are same that is precoated steel also coming down very heavily on that.

**Arun Agarwal:** That is all from my side. Thank you, Sir.

**Moderator:** Thank you. The next question is from the line of Shikha Mehta from Equitree Capital. Please go ahead.

**Shikha Mehta:** I just had a few questions so our margins this quarter are at around 15.5%, which is even better than what we were expecting around 12% to 13% is the guidance we had been given so is this 15.5% something that is sustainable or is it a one off this quarter and from next quarter may be we will be going back to 12%?

**Anuj Talwar:** I told you earlier that because of last quarter salary cut has resulted in that. Of course, we have reversed the salary cut from October 1, 2020 and I am hopeful that going forward my EBITDA levels should be around between 13% to 14%. It will not come to 12% do not worry. It will not.



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- Shikha Mehta:** Even like our PAT levels this quarter, we have done around Rs.10 Crores, which is better than our peak levels before the entire auto situation was then and stuff so is this the run rate, we are looking at maintaining?
- Anuj Talwar:** No PAT is because of the lower tax because we have had losses in Q1. It is because of tax thing. It is not permanent you know that. The EBITDA and we should work on EBITDA there is nothing else, it is just interest on depreciation. Interest we are constantly working to bring it down do not worry.
- Shikha Mehta:** Right and Sir could you give us some guidance on the CV space? Most people were expecting it to improve by the festive season. So, anything on that front?
- Navin Juneja:** The CV space, it is definitely improving. The business of Volvo has improved. It is constantly improving; it has doubled from the level of others. We have received few days back the productions of Cummins till March and they are talking about 8000 engines per month as compared to 4000 to 5000 earlier that we can say. It seems to be on a positive trajectory.
- Anuj Talwar:** I think it is going to be very positive going forward all our presence have told us that January, February and March looks to be bumper for the commercial vehicles and let us hope that this scrappage policy comes out also because that is something that has been in talks with the government and the industry for quite some time. If that happens that will be a double Diwali bonanza whatever you want to call it.
- Shikha Mehta:** Sir could you give utilization for forging and for gaskets?
- Anuj Talwar:** Yes, I will give you. My gasket utilization on an average because we have three facilities. On an average it is 81% around 80% you can say. We have forging capacity and the machine capacity, and the forging capacity is around 82% and the machining capacity is around 87%.
- Shikha Mehta:** Alright. Thank you.
- Anuj Talwar:** You want JV also?
- Shikha Mehta:** Please.
- Anuj Talwar:** In MMTC it is around 80%, the Nippon Leakless it is around 75%, in Marugo Rubber in the anti-vibration it is over 80%, in the whole business it is around 35%.
- Shikha Mehta:** Thank you Sir.
- Moderator:** Thank you. The next question is from Sunil Kothari from Unique Investment. Please go ahead.





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**Sunil Kothari:**

Thank you very much for the opportunity. Sir just wanted to congratulate you for all the fronts and on all the fronts. You are really doing good job on cost measures, cost cutting, overall, the way we sold our cash flow in a very tough time we have reduced our debt by roughly Rs.10 Crores. You already invested in property I mean the new plant and equipment. So, it is a really great job you people are doing so this is congratulation for all these things. Sir basically just wanted to understand is what is the scope of further cost reduction we have? What is the scope of further value addition we have? May be over a little medium to long term not in a very short-term time frame and your target to reduce the debt? I think we are already on a track to reduce this, but any number would you like to put may be over a year or two? Just wanted to understand these things.

**Anil Talwar:**

First of all,, our focus is to increase the orders where the margins are good number one. Because in the market you have all type of orders okay. We are focusing on the orders like export customers. My margins are good there as compared to Indian OEMs. Indian OEMs also my competitive margin are good as compared to Tata Motors. I have just given you examples. So, I am focusing on and plus all the businesses I will take in the future. We have decided it minimum these are the levels we should get into businesses. We are working on that in a big way. So, it will help future businesses and wherever we have low margin, we are asking for price correction and we are getting that. We have got something last year and we are again approaching customers where margins are less for the existing margin and we are getting that also. That is not an issue. That is a continued exercise we are doing okay. That will help us into my EBITDA level because they will lend it off. Without that limit we know that you cannot do. You need to keep the employee in work also. We need give you regular increments, incentives because some employees have very good knowledge of the products. We cannot let people go also and regarding localization, etc., we are continuously working on that. My target is to bring in the next two years. My board used to be around Rs.60 Crores, Rs.70 Crores, and Rs.80 Crores. To bring it down to Rs.30 Crores level size not because we do not want particular product and only particular raw material only there to import. Everything is to be localized. Any future business we are giving solutions of local material only. It is hard to give customers solution for local material. See if this is not work you will give imported solution okay. Now coming to the reduction of working capital. Reduction of working capital we are working in two ways. First of all, the reduction of my debtors. We are working very, very hard to reduce my debtor level my debtor days. My debtor days as compared to March 30, 2020 has come down by five to six days as on September. We are working further, but still debtor are in aftermarket right. Everything is under control. We are working so hard I am hopeful that by March 31, 2021 it is around 114 days we will bring down minimum 80 to 90 days by March end and in the future, it should be within 90 days. We are working on a focused manner on that and on the stock level because localization and we are putting very, very strict control on the system, etc., that nobody can order extra material, PPC planning, etc., we are working to bring my stock level also to a down, which will reduce my limits further and of course we require money for our expansions. We are at regular basis we try to do from our internal accruals, which seems to be going in a healthy way and we



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are hopeful that my working capital we can reduce it. Beyond the limit we cannot reduce and term loan we are trying to of course have a repayment plan for that. If the topline goes up and the interest remains same, I will come down further. It will help us plus we are looking for some non-core assets also and let us see how the thing goes there to lower debt level down.

**Sunil Kothari:** Great Sir and wish you all the best. Wish you Happy Diwali.

**Moderator:** Thank you. The next question is from Nitin Shah who is an individual investor. Please go ahead.

**Nitin Shah:** Thank you for the opportunity and congrats for a very good set of numbers. I just had one broad question. Some of the points have already been covered. I just wanted to understand like Anuj has mentioned in the opening remarks that all the OEMs are seeing that this recovery is not just seasonal and may be it will be more structural so can you just throw some more color in terms of which segments are seeing some good structural demand and if possible may be some trends on how the orders are for the next two to three months from these OEMs that will be of great help. Thank you.

**Anil Talwar:** We did a bit of an analysis about the industry. We all realized that the order industry is a cyclical industry. So, we all reached a peak in the year 2017-2018. Now the peak was not there in the industry. What I foresee finding in this is done, I have no idea more than what 20% of the auto, but these have become like a three-year cycle now. We see the forces come down whether it is commercial vehicles went down and two wheelers went down, there was sudden craze in our country about Uber and Ola and shared mobility and all that stuff. I see that changing again because of this pandemic. What has really happened is it means less stock for the entry level two wheelers and entry level passenger vehicles a lot of movement is happening towards owning an own car whether it is in bigger towns or even in smaller towns, people are reluctant to move in the Mumbai train now for example, they would buy a vehicle or buy a two-wheeler and be safe than to be sorry number one. Number two I think also the monsoons that has been very, very good this year for our country resulting in a lot of sales in the agri space. So, I think the commercial vehicle has seen the worst. You know it is just in line. It will pick up sooner or later, it will pick up and it is picking up. As Navin mentioned due the number is very strong for the November, December, January, February and March. I think we are looking at a good bull run at least for the next two to three years in my personal opinion, but having said that if you look at our numbers and if you look at our growth rate, we are ahead of the industry and when you are talking to number one, number two we are also moving towards exports in a big way. Our exports even to my surprise, our export percentage for the quarter are 27%. It used to be 18% top 19%. It also surprised me as well that we were looking for about 20% to 24%, but with a lot of traction coming and I think our fundamentals of our business are strong. We believe in tying up with global OEMs. We just started scratching the surface with global players. We have been working very, very hard for the last two to three years and now the results are showing up. Whatever it has been it has been better than that going forward.



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**Nitin Shah:** Okay that was pretty elaborate. Where I was coming from was that of late there have been some contradictory remarks coming from the OEMs and dealers that the OEMs are pretty bullish whereas the dealers are very circumspect after as to what happens post Diwali so maybe I just thought you would have a better idea?

**Anuj Talwar:** We have been talking to Maruti, we have been talking to Tata Motors, we are talking to Mahindra, and we are talking to Cummins and all. Definitely there will be a slow down after Diwali in the CV space, but Maruti may record 198,000. It will go back to about 150 180 levels if demand comes. They are selling their cars. There is nothing in the pipeline. You see when to keep the Indian bottle down. He wants to buy a vehicle. He wants to move out. He wants to travel. I think things will be better for the auto industry in the next few years.

**Nitin Shah:** Thanks very much and season's greetings to all of you.

**Moderator:** Thank you. The next question is from the line of Apurva Mehta from AM Investments. Please go ahead.

**Apurva Mehta:** Congratulations on an excellent numbers and excellent cash flows in the performance. So just wanted to know Heat shield thing where we were talking that they are being made local how is it shaping and is heat shield going as per your expectation or better than expectations and what is your view for the next may be one or two years the heat shield thing?

**Anuj Talwar:** As regards to the heat shield business and now we are in the process of first of all we previously used to have the orders from the local customers like, but Tata Motors and Tigor we started with that. Then we got into the business with Jaguar. Now with the two OEMs we are again achieved the business of what I can mention here one is Hyundai and one is Maruti. Businesses which we have in hand plus we are talking to other export customers. As of today, we have a window of approximately Rs.25 Crores confirmed orders with us. You are talking more of that heat shield thing. We foresee that thing in the next four years I need to say not three years. In four years, it should be touching around Rs.50 Crores domestic.

**Apurva Mehta:** Even in the export side any traction and any heat shield side?

**Anuj Talwar:** Four plus we are talking to other export customers for the orders. I think we are talking to Volvo also. We are talking to other customers like TVS, but those will come in 2022 – 2023.

**Apurva Mehta:** What is the size of that order? These are big orders, or this will be again a Rs.5 Crores to Rs.10 Crores kind of order we have?

**Anuj Talwar:** They are bigger orders. I think give us time till next quarter to give a better clarity. One is the domestic business that we have won from this top three care markers and I think forge will be a



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big number and it will also take two we are taking some capex for this particular line for which he is going forward and we have a new division within gasket business.

**Apurva Mehta:** And on the gasket side how is the export panning out and what is your sense of export in getting new customers that export? Are we seeing good traction on that side also?

**Anuj Talwar:** We are seeing very, very excellent production coming in, in the export business. This year the gasket my export will be around Rs.42 Crores, which was Rs.34 Crores last year because we lost one quarter and with the such pressure coming in within two years, we should be crossing more than Rs.75 Crores easily, it can be more than that also.

**Apurva Mehta:** On the Cummins side we are having 4000 engines? Now we have started they are guiding us 8000 engines.

**Anuj Talwar:** You are correct.

**Apurva Mehta:** That will start from when in this quarter or next quarter?

**Anuj Talwar:** That will start from December.

**Apurva Mehta:** What is the peak revenue from the peak production from there Sir? It was around 20,000 is it?

**Anuj Talwar:** Peak was 180,000 engines for a year. This was in 2018 180,000 engines. If we get to let us say 120000, we should be on the rise, but that will take some time.

**Apurva Mehta:** But how is the traction from Cummins you are finding because this is one of the things where we need value addition also?

**Anuj Talwar:** We are looking for that.

**Apurva Mehta:** On the forging side any new orders, which you are trying to get for the new size of any big orders coming in the forging side?

**Anuj Talwar:** Yes of course forging is a continuous process. Of course, in Jaguar we have got one more part number, BMW we are adding one more part number. It is the original space adding more parts.

**Apurva Mehta:** Okay thanks a lot and wish you all the best and Happy Diwali.

**Moderator:** Thank you. As there are no further questions, I would like to hand the conference back over to the management for closing comments.



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**Anuj Talwar:** Thank you so much for your time. Thank you so much for participating on the call. We are hopeful and we are positive that the future is also strong and the next few quarters the momentum continues and just to repeat again we are the hedge auto component company supplying across various segments and exports being the rising star. With this, we would like to call an end to the conference and thank you all for joining. I wish all you a very Happy Diwali. Thank you.

**Moderator:** Thank you very much. On behalf of Talbro's Automotive Components Limited that concludes the conference. Thank you for joining us ladies and gentlemen. You may now disconnect your lines.