LIL:CS:NSE:BSE:2022-23 Date : 25.11.2022

BSE Limited Listing & Compliance Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	**The National Stock Exchange of India Limited** Listing & Compliance Department Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400051
Security Code : 517206	**Symbol : LUMAXIND**

Subject: Transcript of Analysts/Investor Earnings Conference Call- Q2 & H1 FY 2022-23

Dear Sir/Ma'am,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations, please find enclosed herewith the Transcript of Analysts/Investor Earnings Conference Call which was held on Monday, November 21, 2022 at 04:00 P.M. to discuss the operational and financial performance of the Company for the 2nd Quarter and Half year ended on September 30, 2022.

The transcript will also be made available on the website of the Company at https://www.lumaxworld.in/lumaxindustries

You are requested to take the same on records and oblige.

Thanking you,

Yours faithfully,

For LUMAX INDUSTRIES LIMITED

PANKAJ MAHENDRU Digitally signed by PANKAJ MAHENDRU Date: 2022.11.25 18:38:12 +05'30'

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DK JAIN GROUP

"Lumax Industries Limited

Q2 & H1FY '23 Earnings Conference Call"

November 21, 2022

MANAGEMENT: **MR. DEEPAK JAIN – CHAIRMAN AND MANAGING DIRECTOR – LUMAX INDUSTRIES LIMITED**
MR. ANMOL JAIN – JOINT MANAGING DIRECTOR – LUMAX INDUSTRIES LIMITED
MR. VINEET SAHNI – CHIEF EXECUTIVE OFFICER AND SENIOR EXECUTIVE DIRECTOR – LUMAX INDUSTRIES LIMITED
MR. SANJAY MEHTA – GROUP CHIEF FINANCIAL OFFICER – LUMAX INDUSTRIES LIMITED
MR. SHRUTI KANT RUSTAGI– CHIEF FINANCIAL OFFICER – LUMAX INDUSTRIES LIMITED
MR. ANKIT THAKRAL – CORPORATE FINANCE – LUMAX INDUSTRIES LIMITED
MS. PRIYANKA SHARMA – HEAD CORPORATE COMMUNICATIONS – LUMAX INDUSTRIES LIMITED
SGA – INVESTOR RELATIONS ADVISOR

Moderator: Ladies and gentlemen good day, and welcome to the Q2 and H1 FY '23 Earnings Conference Call of Lumax Industries 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 do not guarantee the future performance of the company, and it may involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in 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 touchtone phone. Please note that this conference is being recorded.

I'll hand the conference over to Mr. Deepak Jain, Chairman and Managing Director of Lumax Industries Limited for his opening remarks. Thank you, and over to you, sir.

Deepak Jain: A very good afternoon, everyone. Let me first state a very good health to all. Along with me on this call today, I have Mr. Anmol Jain, Joint Managing Director; Mr. Vineet Sahni, CEO and Senior Executive Director; Mr. Sanjay Mehta, Group CFO; and Shruti Kant, CFO, along with Ankit from Corporate Finance and Priyanka for Head Corporate Communications; as well as SGA our Investor Relations Advisor. The results and investor presentations are uploaded on the stock exchange and the company's website.

The Indian auto component industry is undergoing a robust growth path, with shifts in the supply chain, consumer demands and high development prospects. Growth of the global OEM sourcing from India and localization is turning the country into a preferably designing and manufacturing base, strong policy support from the government with

FAME II and also constant R&D support has been the lubricant in this journey. The monthly FADA and auto number data has been extremely encouraging and points to the demand recovery in the vehicle retail sales rising to 48% in October compared to the same month last financial year on account of the festive season and monsoon.

Good market sentiment coupled with festive boosts made the festive ’22 to as the best in the last four years. If I look at segment-wise as well, I think the passenger car recovery in this financial year will actually be the highest in the country, surpassing the peaks of '18, '19. Other segments are trailing behind.

However, we are encouraged by the government's infrastructure development and also the future mobility that the other segments like the commercial vehicle as well as the 2-wheelers would also catch up. Other key drivers for the industry growth still remains key, which has an increased focus on technical advancement and improved market share. We continue to strengthen our position in this segment and the increased penetration of EV should also help the growing volumes going forward.

This is also substantiated with our great order book of the OEMs and new model launches planned in the near future. With the new launches also across segments and improved demand for premiumization, we find ourselves well-placed. We continue to maintain the market leadership in lighting. The quarter also embarked acquisition of 100% ownership interest of its subsidiary, Lumax Industry, Czech in Czech Republic to further strengthen its technology and innovation capabilities. We are focused on becoming self-reliant in design and development with increased investments in R&D.

We have also become the preferred partner for Indian OEMs, offering best-in-class lighting solutions across various sectors. Our collaboration with standard electric company in Japan, which is the only global auto lighting company to manufacture LED worldwide has also been a catalyst to work with technological advancement. We are working towards developing products indigenously and building premium products for which we have seen increasing demand.

On the EV front, as I mentioned, the industry has a huge uptick in demand, and we are going to leverage this with the cutting product portfolio. We are also quite certain that although the 2-wheelers have been the fast adopter of EV, now the passenger cars is also seeing uptick. As mentioned in the previous quarter, out of the order book of around INR 1,000 crores in the next two to three years, 50% of this is consists of EV vehicles. Now I would like to hand over the line to Mr. Sanjay Mehta, Group CFO of the company to update you on the financial performance of the company.

Sanjay Mehta: Good afternoon, everyone. I will update on the operational and financial performance for the quarter 2 and 6 months ended FY '23. The sale of led lighting for the half year as a percentage of revenue strength was 35% and conventional lighting at 65%. With respect to segment mix for six months, 65% of revenues from passenger vehicles, 29% from 2-wheelers and 6% from commercial vehicles. With respect to product mix, 66% of revenues from front lighting, 24% from rear lighting and 10% from other.

Talking about the financial performance, I'm delighted to say that in the quarter 2 FY '23, company has achieved the highest ever quarterly revenue standing at INR 620 crores, depicting a growth of 37% on a year-on-year basis. Revenue for H1 FY '23 is at INR 1,132 crores as against INR 767 crores, witnessing a strong growth of 48%.

The manufacturing revenues for H1 FY '23 has grown by 49% to INR 1,101 crores over H1 FY '22. Out of which 38% growth is from volume, which is better than the industrial, balance 11% is value driven. The company reported consolidated EBITDA of INR 112 crores with a margin of 9.9% in H1 FY '23 as against INR 50 crores H1 last year, up by 340 basis points. In Q2 FY '23, EBITDA stood at INR 64 crores with a margin of 10.2%, up by 110 basis points.

PBT before sale of Associate is INR 37 crores in Q2 versus INR 20 crores in the corresponding quarter last year, registering a growth of 87%. The PBT for H1 is INR 60 crores at a margin of 5.3%, up by 440 basis points from H1 last year. The profit after tax after sale of associates stood at INR 53 crores at 4.7% for H1 FY '23 as against INR 5 crores in H1 FY '22 last year. For Q2 FY '23, the PAT stood at INR 33 crores as against INR 15 crores for Q2 FY '22. capex incurred during this quarter is INR 33 crores up to six months. With this, we can open the floor for question and answer.

Moderator: The first question is from the line of Aashin Modi from Equirus.

Aashin Modi: Congrats to the management for a strong set of numbers. Sir, my first question is regarding our revenue. So, I was going through our customer-wise revenue mix. We have, in this quarter, we have seen very strong ramp-up in sales to M&M and to other OEMs. So could you please give a color on this? What is our share of business with M&M and what sort of a pickup are we seeing in M&M and other OEMs?

Deepak Jain: So thank you. I think you're right. I think the Mahindra & Mahindra, I would look at the six months because actually our customer growth has been almost 70% on the account. And it's actually now become the number three customer for us, after Maruti Suzuki and Honda 2-wheelers. I think clearly, Mahindra with basically its new launches where we are on Scorpio. Also, we had prior said that we are on the Thar as well.

That has actually become a strong player for us. We had basically not been on those platforms, so these are new business wins for us. Of course, with the whole market turning in into an SUV space, Mahindra still leads and is coming back with this. Also happy to say that in the next two platforms as well, I think we are preferred for lighting to Mahindra & Mahindra. So you'll continue to see a good strong set of numbers with the company with Mahindra with us. So I think, of course, if I look at it today, I think Mahindra, we are having 70% in the front lighting share business, the wallet share with Mahindra. And in the rear lamps, we are 30%. However, as I said that after securing the next few orders, we increased the wallet share for the inputs.

Aashin Modi: And sir, in the other you are talking about --

Deepak Jain: And so in the others, I think in the last year we have been able to sustain that. So if I were to look at it in terms of, again, Maruti Suzuki, our basically growth has been fundamentally 30% plus. Honda 2-wheelers, we've been about 38%. And of course, Tata Motors grew 76%. Hero also, we've actually been about 35%.

So I'm again talking about H1 '21-'22 vis-à-vis H1 '22-'23. Also, I think I want to put in point is that TVS, we are again, had entered and we continue to grow strongly with them. Again, half yearly growth has been -- was about 48%. We're pretty bullish on all these customers, including Maruti, Mahindra and Tata. And on the 2 wheelers as I said all about this. So we see, I think, strong growth prospects with all customers. However, as said, maybe Mahindra would probably lead the pack because of certain new business wins.

Aashin Modi: And sir, the next question is regarding our order books. So we -- our share of LED is approximately 34%, 35% and it has stayed there for a while now. So could you please share the color of what percentage of your order book is LED and what sort of a share do we see going there?

Deepak Jain: I think we continue to maintain that, going forward, we will be having in the next three to four years, about 50-50 LED vis-à-vis conventional. And matter of fact, did remain that, if you see over the last two years, there were limited launches and new product launches into the market because primarily reason was on the pandemic. You can actually see most of the vehicles have launched now recently have some element of LED, vis-Ã -vis, also our INR 1,000 crores order book has almost all product developments into LED and in all segments as well. So we do definitely see a rise now, once this whole pandemic and new launches start coming in, more and more revenues accrue from LED.

Aashin Modi: And sir, thirdly, on the content, which is there this LED penetration, we have mentioned that headlamps is four to six times more expensive. So could you, please, if you could give us an understanding of what sort of content difference is there from SUV to a normal car and what sort of LED content per vehicle have we see in LED and halogen?

Deepak Jain: I think it's -- again mentioned before, I think it's kind of different depending on the segment. But I think right now, you can look at probably around about 2x to 3x kind of a revenue the content value add. And the reason why we say this is because it depends on the amount of LEDs or what types of LEDs are being utilized in that. So that's where it is. I think also in our sense in the 2-wheeler also, we are seeing around about think 1.5 to 2 basically.

Aashin Modi: And last question is on margins. So while we are -- we had a very good quarter in terms of margins because of better operating leverage, but our gross margins continue to shrink. So if you could highlight something over there? And also what would be the impact of forex on this quarter's margin?

Sanjay Mehta: So in fact, the margin net of forex of around INR 3 crores on a six monthly basis, around INR 1 crores in Q2. The RMC for six months stood at almost around 64.8%, slightly higher than the H1 of the last year because of certain price reduction given to the customer.

Deepak Jain: I think clearly, I mean, say, we see this as a scope of improvement. I mean there are certain price corrections, which we are also expecting in the next forthcoming quarters. As you see over the last six months and even about a year or so we have been basically talking about the back-end arrangement with customers and with basically prices, which had been firming up in the past, I think we have to still put out a claims which we probably would get in the forthcoming quarters. As you'll see that probably get adjusted over the full year time.

Aashin Modi: And then lastly, if you could tell us -- so we have been talking about this power plant and its structural impact on margins. So what is its current capacity? And what sort of impact it could have if you could explain that time-staggered also?

Deepak Jain: The company has two plants in Bawal. One is for lighting products. Second is for electronics PCB, I think you're talking more on the electronics PCB plant, which we had commissioned about three years back. There, I think, of course, the electronics is going to continue to pay a very key role in our localization and digitalization scheme. The impact, as you see, has already built into the books of almost 150 bps.

But however, if you see it's more of insourcing, so it does not really accrue to our revenue. However, I think going forward, we will be further expanding maybe two more lines. Currently, the capacity is with four lines, and now we will actually add two more lines going forward, which will further enhance basically value realization.

Moderator: The next question is from the line of Abhishek Kumar Jain from Dolat Capital.

Abhishek Jain: Congrats for a strong set of numbers. Sir, what is the current capacity utilization right now?

Deepak Jain: So currently, across basically the plants with our current capacity, it is somewhere around about 85% to 88%. That's where the company's capacity utilization.

Abhishek Jain: So most probably, the next year, we are seeing a strong growth in the passenger vehicle segment. So are you looking for the capex for the new capacity?

Deepak Jain: So I think there has been a plan and discussion in the Board, we will soon basically try and look at it in terms of the outlook in terms of capacity expansion, most likely we may have to expand nearer to a faster-growing customer, which is like Mahindra & Mahindra. So that would be in that kind of a region.

Abhishek Jain: And are you looking for the new capacity for the new plant of Maruti Suzuki?

Deepak Jain: No, that, I think we have good plants, good actually capacities in the NCR. You have to understand that although Maruti Suzuki, has announced going forward, one million in Kharkhoda. This is very close to our current plants in Dharuhera as well as in Bawal. So we will consolidate capacities there. Gujarat we already have a good basically thing. But I think fundamentally, we will see certain capacity kind of balancing in Gujarat as well as, I think, in the Western region, which most likely would be in the Pune area.

Abhishek Jain: So what is your overall capex plan for the next two years? And I mean FY '23 and FY '24?

Deepak Jain: I think we will see as of now; we are still under deliberation and probably getting the order books reviewed with our customers, we will probably be able to disclose it next quarter.

Abhishek Jain: And my last question is regarding the margin side. So as you said that there was a volume growth of around 38% out of the 47% growth in the revenue and rest is because of the better product mix. So just wanted to know what is the impact of the RM inflation in the overall revenue and the margins right?

Deepak Jain: I think the total RM impact would be somewhere close to around about 80 bps as such. And we also expect this to get rationalized. As I said, Abhishek, we are talking about certain price settlements with a customer, which usually does lag for about six months. Hopefully, in the next two quarters, we'll see that coming in.

Abhishek Jain: So most probably, the gross margin will expand in the coming quarter, and that will also be positive for the margin, right?

Deepak Jain: Yes, we should be, as I said, you're talking about quarter-on-quarter, I think our intent is to basically get into a double digit and then further to a double-digit team. I think this is the company where we probably are looking at certain avenues to kind of put that road map.

Moderator: We move to the next question from the line of Amit Hiranandani from SMIFS Limited.

Amit Hiranandani: Just can you please throw some light on the demand for the passenger vehicle post festive season, especially if you can comment on the entry level segment, please? And continuing with this, please throw some light on the 2-wheeler industry demand scenario as well, please?

Deepak Jain: Sure, Amit, I think I personally have always been extremely bullish on the Indian auto space. We are seeing a very clear uptick on the passenger vehicle, a very, very strong demand. We also do see that there is ease of the semiconductor requirements. And also, I think the OEMs have started to source inventorized semiconductors to meet their next three to four months for at least six month outlook. So, in terms of the entry level that you see,

I mean, this is the first time that the entry-level segment has also seen an uptick, and that's primarily because the launch of Alto, Creta and fortunately, we are on the headlights on to that. So Maruti Suzuki is gaining traction. However, I think we are going to look still at the compact SUV as a much more aggressive segment in the passenger car. But overall, we are bullish on the three, which is Maruti, Mahindra and Tata to actually take the industry growth forward.

As you already know that the Kia Hyundai they basically are being catered by the Associate company at the Lumax. But these four vehicle manufacturers, Maruti, Mahindra, Tata and if I look at the Korean group, they almost comprise 90% of the TD segment. And that, I think, is a very strong indicator of how these companies will probably go perform in the future. 2-wheeler segment, I think 2-wheeler segment had a better-than-expected festive season.

However, post the festive season, we do feel that in this coming quarter, there will be softening. We are seeing certain traction clearly in customers like HMSI and TVS, Hero being stable. However, I think Bajaj has a concern because of its export portfolio and not the domestic portfolio. With basically rural demand also kicking in and usually a laggard of about six to eight months post the pandemic recovery.

We do see that the 2-wheeler would also in the next quarter or at least in the last quarter of this financial year, should basically again, see an uptake on it. So that's where it is. Also one I would like to mention that the CVs has also picked up. We probably would be crossing almost about 1 million, which would be after extremely long time.

The tractor industry also holds stable. So all in all, I think a very good year, a better than- expected year, and it seems that at least with the lead of pass-car segment, it is sustaining. And I can probably say that with the government thrust in infrastructure spend, specifically on road development, I think this is basically boosting the autos sales.

Amit Hiranandani: Sir, my second question is basically, can you throw some light on the import content? And what all components basically we are importing? And if you can throw more light on the backward integration, what we are planning now?

Deepak Jain: So I think if I would look at the total imports of the company, it would be around about in '21-'22, it was about INR 184 crores, which is about 16%. So that is basically where it was. And I would actually say that so it's pretty much aligned with that, almost 20%. Most of the contributors would be on the electronics. It would also include probably the plastic parts, which are advanced plastics, which is not available in India.

What we are trying to do is we are trying to localize the SMTs and the PCBs because more and more as the LED start to come in into the lighting, this will become more and more as a scope. And with that, although the key components or the smaller components like the IC, it is basically the resistors and capacitors, they still continue to get imported, but there would be more value add, which will be done in India through the SMT lines as well as maybe PCB localization.

Amit Hiranandani: Sir, my last question, basically, if you can tell me just the margin differences between the LED and the conventional lighting.

Deepak Jain: Well, I think marginal difference would be probably around about now INR 100 crores to INR 150 crores. Again, it all depends, again, as I said, on the amount of LED content, there would be. So that's where it is.

Moderator: The next question is from the line of Sunil Kothari from Unique Asset Management.

Sunil Kothari: Congratulations on the good numbers. Sir, in your initial remarks, I think you've spoken about something on designing and manufacturing capability of our company and our country and some outsourcing possibility or something like that. So if you can elaborate on those opportunities combining this with maybe your recent interaction or visit to collaborator or customer outside?

Deepak Jain: So first and foremost, good evening Sunil ji always a pleasure to hear you. So I think you're mentioning about is in terms of the Lumax Industries Czech office, right. I think that's where it was there in my opening remarks. I think clearly, the Czech Republic is primarily to strengthen our design and development capabilities. So we have opened an R&D center there, a design center there. We have almost about 15 people at resources, and this is primarily for advanced electronics.

If you remember, six years ago, we had done a very similar exercise with Taiwan, and we have opened up our project management and electronic Taiwan, we continue to have that, and this is an expansion into Europe. This will assist us in basically gaining more orders for the market or specifically customers like Mahindra and Tata, who already have a presence in Europe, and they do a lot of development in all.

Second, in terms of our, we have partners with it actually after almost 3.5 years. We were able to go to Japan and last week is coming from there, have extremely encouraging discussions with Stanley Electric on basically business acquisition, support in terms of technology development and maybe also in the future, looking at certain global scenarios where India could be used. But currently today, given the high-capacity utilization of the company and a good and strong order book our focus remains to basically mature and execute these order books and continue to try and gain certain wallet share with certain customers.

Sunil Kothari: My second question on this very successfully high profit share of associates, which we received during this six months almost INR 16 crores. If you can talk something whatever possible from you how this margin is improving. Business is improving very clear with that because of Hyundai and Kia both are doing very well.

Deepak Jain: I think this investment and the Associate company SL Lumax has really paid off good dividends and good basically strategic focus to us. We will continue to maintain that relationship as you already know. Am I audible now? Sorry. So I'm just going to repeat that. I think fundamentally, this collaboration with SL Lumax has really paid rich dividends, both in terms of financial and strategic partnership. We continue to basically hold a 20%-plus equity there. And with that, I think we are able to have a good leverage onto the market consolidation. Hyundai, Kia continues to have a good growth prospect.

I think currently with Hyundai's capacity is limited, as you see, a much more bigger chance with Kia. But I usually take that, at least for the company as one block as Korean. And as I mentioned today, together, they are almost close to around 20% market share. We expect them to have strong sustained growth with that, the company will continue to further grow.

However, as I mentioned earlier in my call, we should not look at a quarter-on-quarter performance because we are dependent on only one specific customer, also have a global basically, I would say, codependent on each other. So we should look at it as a full year to go ahead. And there, we have seen that in the past, they've actually maintained kind of 5% to 6% PAT level for the full year going forward. So with that, I think we are pretty much saying that we would be able to perform. But obviously, the quantum of profit will enhance because they have also got a very strong growth in the level.

Moderator: The next question is from the line of Jatin from RTL Investments.

Jatin: Two questions from my side. One is on the sustainability of this SL, Hyundai JV number, I think you briefly mentioned about that the quantum of profit will vary. But this quarter, the number is nearly at 11.5% is a big number. So is there any one-off there?

Deepak Jain: I don't think there is a one-off. I think, again, as I said they keep on doing in terms of pricing. I never look at this quarter-on-quarter basis. I always you see do it on the financial full year kind of visibility. What I mentioned was prior that as they grow and as they continue to basically grow in terms of revenue, the quantum of percentage may not basically vary for the full fiscal, what this probably would enhance the value of the profit and basically, of course, with our percentage, we will also consolidate that much in Associate.

Jatin: Second question is, we have historically kind of spoken about trying to get to a 12% to 13% margin. Now looking at this quarter, this was a fantastic quarter in terms of revenues, right, almost INR 620 crores. And still, our margins are at about 10%. This journey from 10% to 12%, 13%, what are likely to be the key components of it? I think you mentioned 80 bps on the RM side that could get reversed, but in terms of the additional 200 bps, where do you think that would come from?

Deepak Jain: I mean there are two factors for it. Number one, I think, clearly, there should be a more stronger focus on our gross margin, and that means improvement on our RMC. So that's one. Of course, I think we would like to also ensure that we continuously improve on our productivity on our cost competitiveness.

And with that, I think if you see the manpower and other expenses, which can holds on to round to about 25%, 26%. We should see some improvement there. So I think that's where we are looking at. I think clearly, over the last few years, our fundamental focus has been on basically realization of profit with, because our revenues had stagnated and revenues had stagnated primarily because of the reasons that there had to be some capacity rebalancing what we need to do.

So I think going forward, we see a strong order book. If you're able to basically execute that with basically an eye on our RMC as well as on the other expenses, I think we should be in a good position to get into what we had looked at a double-digit 12% to 13%.

Jatin: This, you're adding two lines at the Bawal SMT facility, what sort of contribution can that provide because…

Deepak Jain: I think that Bawal has already been executed now. I think the issue with Bawal was that all of the investments have been put in. There has been no revenue because of more enforcing. However, there was a margin improvement, if you see about three years back we were actually almost around 8%, 8.5%. So we actually went up about 100, 150 bps.

Jatin: Just last question. You, in the press release, mentioned that you've acquired Volkswagen as a new customer. This is just for India, or are there plans for doing something globally as with them?

Deepak Jain: This is primarily Volkswagen, Skoda as know, India in Skoda has a more aggressive to the business, and this is primarily for their Indian project going forward.

Moderator: The next question is from the line of Saumil Shah from Paras Investments.

Saumil Shah: Congratulations on good numbers. Sir, I wanted to ask, so normally, our second half is much better than the first half. So can we assume a similar kind of growth in second half?

Deepak Jain: Well, I also look forward to it, Saumil ji, because the usually industry second half is also good, better than the first half. And as you know, Lumax Industries kind of obviously has a high market share is in the PV segment. But what I can definitely say that we are bullish and we expect this kind of revenue pull to continue.

Saumil Shah: So at least, I mean, double-digit growth is possible?

Deepak Jain: Yes, I don't see any red flags, as I said.

Saumil Shah: And sir, one suggestion that our equity is too small. So I mean are you looking to do something on that front?

Deepak Jain: Well, as of now, not but please do keep on giving a suggestion and it will be considered.

Moderator: The next question is from the line of Komal Ladha from Yellow Jersey Investment Advisors.

Komal Ladha: Congratulations on a good set of numbers. I wanted to ask that you in your previous conference call stated that you're targeting 25% market share for LED lamps and commercial vehicle segment. So what is the current situation there? And what is the revenues that we can expect from there?

Deepak Jain: I'm not sure when I said that in terms of 25% market share. However, let me just clarify that I think we have always maintained that we would basically continue to have our revenues coming in from LED as a 50-50. Right now, as Mr. Mehta just said, that our basically LED revenue is primarily coming out at 35%. And that basically becomes a growth driver for the company. In terms of the commercial vehicle specifically, I think we are seeing good traction in terms of the LED adoptions and also adoptions of futuristic LED, head lamps and lighting. So I think we are putting in our efforts to get into certain Tata, and Ashok Leyland because they are the two large basically contributors for the CV.

Komal Ladha: And can you please tell us what is your market share currently in CV and farm equipment segment?

Deepak Jain: So actually, our basically CV and SES, if you look at it, we are primarily in around about 7% only.

Moderator: The next question is from the line of Harshil Shah from Anvil Shares & Securities.

Harshil Shah: Congratulations to the entire team for the great set of numbers. Sir, most of my questions have been answered. So, if there's any further question, I'll get back in queue.

Deepak Jain: Thank you.

Moderator: The next question is from the line of Aashin Modi from Equirus.

Aashin Modi: Sir, in the other OEMs, which we there also, there is a very good uptick this quarter. So, we were talking about MG adding MG as a customer. Is it because of that? If you could talk more about it?

Deepak Jain: Sure. The MG, as is, in our last year, we had actually invested in our Sanand expansion that was primarily done for MG Motors. MG basically continues to be almost, we're almost 100% on basically MG. I think this was done for the Astor as a product. MG continues to have a strong foot in the market. Of course, there is some recent news, but I think we are pretty bullish because they have a good product portfolio and product line.

So what our fundamental strategy has remained is that in the pass-car part, I mean, it's 90%, as I said, I mean only four companies are basically doing 90% in the pass-cars, right? And however, I mean, say, we would like to continue to be 100% on Hyundai Kia. We are somewhere between 40% to 60%, depending on our wallet share with Maruti, Mahindra and Tata. We want to continue to at least sustain that and then grow with certain spaces where we were not there, like, for example, MG Motors, we would like to in future up our share in other vehicle makers. TVS is a good example where we were not there, and we have basically gone high.

Also Suzuki two-wheelers, we have actually recently acquired certain businesses, and we would like to keep that same kind of a control with the two-wheeler segment as well. So that's where and how, because having a higher market share, the only way to basically further dominate it and it is basically to try and get new customer acquisitions.

Aashin Modi: Sir, we were talking about the HVAC business getting added from FY '24. So where are we on that? And any new products which we are planning?

Deepak Jain: Yes. Extract, basically, we are on target. We have a single order for basically one basically customer. We have already said that the Q4 2023, that would basically be the SOP. And after that, we probably in '23, '24, we would realize and that would be probably around about INR 35 crores. In terms of value, it may not be that significant for the company looking at the size for the revenue of the company. But I think in terms of strategy, it's extremely important because that basically gives further collaboration with our relationship with Stanley and this is the next product post lighting that Stanley has globally to offer to our customers.

Moderator: Ladies and gentlemen, that was the last question. I now hand the conference back to the management for their closing remarks. Over to you, sir.

Deepak Jain: I would like to thank all our shareholders for joining on the call and really thank you for your continued support and guidance to us. I would like to say that we do remain very confident on the growing prospects of India and along with that, the automotive sector. I do hope that we've been able to respond to your queries adequately and for any other further information request to kindly get in touch with SGA our Investor Relations advisors. Thank you very much and have a great evening. Bye-bye.

Moderator: Thank you. Ladies and gentlemen, on behalf of Lumax Industries Limited, that concludes this conference. We thank you all for joining us, and you may now disconnect your lines.