



Sundram Fasteners Limited

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National Stock Exchange of India Limited

Symbol - SUNDRMFAST

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By NEAPS

BSE Limited

Script Code - 500403

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By Listing Centre

Dear Sir / Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Transcript of Analysts/Investors Meet held on May 27, 2024

Further to our letter dated May 27, 2024 on the subject, please find attached the transcript of the Analysts / Investors meet held on **May 27, 2024 (Monday)** for your information and records.

The transcript is also available on the Company's website at <https://www.sundram.com/recentupdate.php>

Please take the above information on record.

Thanking you,

Yours truly,
For SUNDRAM FASTENERS LIMITED

G Anand Babu
Senior Manager – Finance & Company Secretary



Sundram Fasteners Limited

“Sundram Fasteners Limited Q4 and FY24 Earnings Conference Call”

May 27, 2024



Sundram Fasteners Limited

Avendus[^]
SPARK 



MANAGEMENT: **MR. R DILIP KUMAR – CHIEF FINANCIAL OFFICER,
SUNDRAM FASTENERS LIMITED**
**MR. C RAJAGOPALAN – PRESIDENT – FASTENERS
DIVISION, SUNDRAM FASTENERS LIMITED**
**MR. R GANESH – SENIOR GENERAL MANAGER
(FINANCE), SUNDRAM FASTENERS LIMITED**

MODERATOR: **MR. RAMAKRISHNAN SESHAN – AVENDUS SPARK**



Moderator: Ladies and gentlemen, good day and welcome to Sundram Fasteners Q4 FY24 Earnings Conference Call, hosted by Avendus Spark.

This conference call may contain forward-looking statements about the company which are based on belief, opinion and expectation 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 conference call, please signal an operator by pressing “*” and then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ram Seshan from Avendus Spark. Thank you, and over to you, sir.

Ram Seshan: Thank you, Yusuf. Good morning, everybody. I appreciate your logging in. We're pleased to be hosting the management of Sundram Fasteners. We have with us Mr. Dilip Kumar, Chief Financial Officer; Mr. Rajagopalan, President, Fasteners Division; and Mr. R. Ganesh, Senior General Manager, Finance. Like always, we will start with brief opening remarks from the CFO and then follow it up with a Q&A. Over to you, Dilip, sir.

Dilip Kumar: Thank you, Ram, and welcome to the Sundram Fasteners Q4 earnings call to all the analyst, investors. As always, I request you that if there are any questions, anything, please do not hesitate to reach out to us before you publish or communicate anything to any of your clients.

So, first and foremost, I'm happy to say that we have recorded the highest profit this quarter for the Q4 at Rs. 132 crores. The domestic sales came in at Rs. 846 crores. What is heartening is the strong rebound in export performance. We have recorded Rs. 385 crores of export, compares well with comparative quarter of last year, but much better than Q3 of last year. The overall revenues came a tad below Rs. 1,300 crores at Rs. 1,294 crores, excluding other income which is the highest for the quarter this year at Sundram Fasteners. The material margin has been strong. The raw metal prices have been stable, and we have recorded material cost at 41.9%. The EBITDA for the quarter has come in at 17%. This is despite incurring some of one-time costs because of the impact of the flood, which is there in the quarterly numbers. The interest cost at Rs. 4.36 crores. The borrowings have come down sharply by about Rs. 60 crores for the year. The depreciation at Rs. 42 crores. The profit after tax at Rs. 133 crores at 10.2% of the overall revenues.

Now moving on to the annual numbers. We have done Rs. 4,953 crores compared to Rs. 4,951 crores. The EBITDA for the year came in at 16.7%, Rs. 825 crores, which is the highest. We have crossed more than Rs. 800 crores of EBITDA for the first time, and profit before tax was



Rs. 639 crores, and profit after tax of Rs. 480 crores. Now moving on to the consolidated numbers.

For the quarter, the revenues was at Rs. 1,477 crores with a profit after tax of Rs. 134 crores compared to the corresponding quarter of Rs. 127 crores. For the entire year, we have recorded Rs. 5,720 crores compared to Rs. 5,707 crores, with a profit after tax of Rs. 525 crores for the year compared to Rs. 500 crores. Now on the capital expenditure, we have incurred Rs. 343 crores for the year on standalone basis. We have invested across all our divisions for growth capital expenditure.

C. Rajagopalan:

The wind energy fasteners, the project is almost ready to get commissioned and given up the revenue, that's from the end of this quarter.

Dilip Kumar:

Yes, that's the good news on the wind energy. And for the export market, for the North American customer, the projects are on steam, and we will have higher revenues from H2 of the current financial year. And we are cautiously optimistic about Q1, and I think April month numbers, if you see from SIAM industry body, the numbers are looking quite promising across all segments. I think notwithstanding the elections, even the commercial vehicles have done well, with government spending happening in Q1 or later part of Q2. We expect that sector to perform very well. The monsoon, of course, always plays a crucial role in sale of tractors, as we all know. And I think with promise of higher than normal monsoon, I think tractors will reach the previous peak of 1 million units. And the passenger vehicles segment expected to record mid-single digit growth, because for a base of 4.23 million units, which were sold last year. So, overall, I think the domestic market looks quite strong. And after the new government is formed, this common spending happening, we expect the performance to be robust. And like I said in the earlier part of the call, with export performance gaining traction, as it is in Q4, and moving up significantly in the second part of the H2 of this year, we expect to have a good year overall.

With these opening remarks, I throw the floor open for questions. Thank you.

Moderator:

Thank you very much. We will now begin the question and answer session. First question is from the line of Mr. Ram Seshan from Aventis Park. Please go ahead.

Ram Seshan:

Hi, good morning. So, sir, anything you want to call out on the performance of the UK and Chinese subsidiaries for the year? How have they fared? Especially in UK, is the turnaround sustaining? Turnaround in the profitability that we saw last year, is that sustaining?

Dilip Kumar:

Yes. We expect the UK subsidiary to have another strong year. Notwithstanding the slowdown in the UK truck market, we expect our operations to be profitable this year in line with last year. And it has turned around completely and lots of operational improvements. The raw metal prices have been managed well and the freight costs have come down. And so there has been a strong operational performance in CPFL. We are also quite excited about the Chinese subsidiary. And



despite the slowdown in the real estate sector, we think we will have a very strong year this year. And our business plans are quite practical, taking into account the slowdown in the Chinese economy. And both the entities, both Cramlington, the UK subsidiary and China, have had a reasonably good year. And we expect this momentum to continue in the current year as well.

Moderator: Next question is from the line of Nikunj Doshi from Bay Capital. Please go ahead.

Nikunj Doshi: Yes. Thank you. Good morning. I just wanted to understand, means on this wind energy fasteners you mentioned. So, what is the opportunity size and what kind of market are we looking at?

C. Rajagopalan: So, the wind energy, the headroom is pretty good. And then we are looking at both the domestic players as well as the international players. And we have started the wind energy apart from the domestic exports as well. And all our additional investments have started kicking in. And then one major investment, which is on the finishing side, will also be ready by June, which is a state-of-the-art plant. And we are looking that the headroom is quite high. And then '23 was not a good year as far the wind industry is concerned across the globe. And the prediction is that '24 would be pretty good. And we are seeing already the signs of orders flowing in. And one more added significant portion of this is onshore and offshore as well. So, now we are looking at in terms of scaling up and also increasing the spectrum in terms of higher sizes. So, look at the offshore requirements as well. So, that will be gaining traction maybe in the next maybe 5 to 7 years. And the sizes could be much bigger in terms of the wattage per turbine. So, it's quite promising. And we are well positioned to get the best out of it.

Nikunj Doshi: And on EV market, means what percentage of revenue are we getting from EV side of the business? And going forward, what is the outlook that we have on the EV segment?

C. Rajagopalan: At current level, it would be close to about 6%, 7%. And then we are looking to take it up to maybe 10% to 12%. And eventually, we are trying to look at around 10% to 15%.

Nikunj Doshi: And overall, as we change our product profile and the outlook also you mentioned is better. So, margin side, what kind of EBITDA margin are we expecting? Are we looking at some improvement with operational efficiencies and all, or we will try to pass on the benefit to the consumers?

Dilip Kumar: No, the contracts are cast in stone. So, in that sense, there may not be any pass back because of margin expansion. And given that export business is profitable, we have reached about 17% currently from 16% with stability in raw metal prices and operational improvements. We expect this trajectory to continue.

Moderator: We have a next question from Mr. Ram Seshan. Please go ahead, sir.



- Ram Seshan:** Sir, could you help us with the revenue mix for the year between passenger vehicles, commercial vehicles, and so on?
- R. Ganesh:** Ram Seshan, this is Ganesh here. With respect to the industry segment, we are at 40% of our domestic revenue with respect to passenger car segment. And between M&HCV and LCV, we should be looking at 25%, tractors in the range of 8% to 10%. These are the broad numbers for the domestic segment.
- Moderator:** Next question is from the line of Pratik Banthia from Girik Capital. Please go ahead.
- Dhaval Shah:** This is Dhaval this side. Sir, can you please share what was the additional revenue from the wind energy side in the fourth quarter?
- C. Rajagopalan:** Additional revenue, I would say, it is to a tune of about \$3 million to \$4 million.
- Dhaval Shah:** And sir, there was some inventory correction with the customer. Now, that seems to be settled now on the US side?
- C. Rajagopalan:** Yes. The good news is the inventory correction has almost happened. And so, this year we can look at again filling the pipeline and thereby increasing the revenue. So, inventory correction is by and large, I would say, is over.
- Dhaval Shah:** And sir, if you could share your outlook for FY25 on domestic PV, how do you see Sundram Fasteners business for FY25 domestic PV side? It will be helpful. And which are the major OEMs you are working with? And any more products you have increased, gain more wallet share, some light on that?
- C. Rajagopalan:** The customers whom we are working with, I would say are predominantly with the EV spectrum. We are with the passenger cars and 3-wheelers. So, the passenger car, the customers to name is, of course, all the players. The number one player today is Tata Motors. So, we are well with them and then we are giving them all the requirements of the fasteners as far as the thing is concerned. And even with the other major customers like the passenger car customers, like whether it is the number one player in the PV segment or Hyundai, we are working with all of them to get into the electric this thing. As we are speaking, we are working with them. Many of them are cross deployed, like from the current library itself they are using it. And we are also adding new parts specifically for the EVs, both in the fasteners as well as in the other divisions as well.
- Dhaval Shah:** So, what sort of growth are you budgeting for PV segment for FY25?



- C. Rajagopalan:** We are looking at around 8% to 10% kind of a growth. Last year, we had 7%. So, we are sure that it will reach maybe close to the double digit, but are 9% to 10%. I think this year should be good.
- Dhaval Shah:** Very interesting. And how would that be for MHCV, LCV, which is 50% of your domestic revenue?
- C. Rajagopalan:** Even there, we are looking at, I would say 12% to 13% in terms of M&HCV. More than the percentage here, I would say that the content, the vehicle, higher tonnage vehicle growth, even though the percentage could be less --
- Dhaval Shah:** Sorry, come again, sir. I could not hear you.
- C. Rajagopalan:** See, if you look at the numbers, you may say 8%, 10%, 12%, but then the content of the heavy commercial vehicle moving from 30 tons to 40 tons to 50 tons would be adding more part content per vehicle, even though the numbers could be lesser. So, I would say that this would be a double attraction. One is the growth percentage. The other one is the weightage per vehicle on the kind of parts what we supply and the realization therein.
- Dhaval Shah:** So, higher content share is giving you a much, much better growth rate?
- C. Rajagopalan:** Yes. That is how we plan to overtake the industry numbers, actually. See, the industry grows by 10%, we should be growing 2%, 3% more than that is what normally we plan in every segment. And as we said, once the election is over and the government spending starts, the mining activity, the off-highway vehicle things like that will improve. That would, stick for as mining vehicles, off-highway vehicles. These are all also broadly classified as heavy commercial vehicles. And that would add some kind of an attractive and valid share, what you call it, yes.
- Dhaval Shah:** And when you say higher tonnage vehicles, so what more are you supplying? Will you be able to speak about products, which more products you are selling or is the same fasteners which is fetching more value?
- C. Rajagopalan:** See, higher tonnage vehicles mean the powertrain also would be of higher rated capacity, okay? Typically, to make people understand, it can be, it can be a 6-cylinder vehicle and then number of axles could be more and then the fastener content per axle could be higher. And then the chassis will be bigger. Obviously, the chassis size would be bigger, which means it is more of bolts and nuts and other components, whether it is hard-force components. So, naturally, the additional content, which I hope I am making myself clear, would help any fastener supplier to sell more and definitely triple.
- Dhaval Shah:** And the last question, again on the wind side, now domestic wind market is definitely looking very bright. Now, from an international perspective, with geographies, you see a lot of growth



coming, a lot of adoption of wind, wind power happening, some, if you could share some light on that.

C. Rajagopalan: Yes. it is becoming more like a necessity than a luxury. If I engage with a customer, first thing the customer is asking even before awarding a contract to me is what kind of renewable energy you are going to be using it. They are giving a target like 80%. So, you will be forced to move into that direction, whether it is wind or solar. And coming to the geography, which you asked primarily, of course, apart from India, it will be US and then it will be Europe as well. So, I think every part of the globe is going to move towards the wind and look at more of renewable energy option moving away from the dirty fuel.

Dhaval Shah: Interesting. And sir, are you supplying for any wind projects offshore, like on the sea? If they are building a windmill, are you supplying components for that?

C. Rajagopalan: As of now, it is just panning out. And I would say what we are focusing is mostly on the onshore. So, offshore requirements are coming up. And then definitely, I think, as I said in the beginning, maybe it will take a couple of years more or maybe 3, 4 years. But then we are well positioned to already familiar with those customers and the requirements. So, for us, scaling up would be easier.

Dhaval Shah: Great, sir. Thank you very much. Good luck.

Moderator: Next question is from the line of Deepak Jain from Enam AMC. Please go ahead.

Deepak Jain: Sir, can you tell me the CapEx for FY25? What are you planning for?

Dilip Kumar: Yes. So, we would be spending between Rs. 350 crores to Rs. 400 crores. And primarily on 2 of our divisions, one is the fastener division for our export market, which will have truck applications, and also for hybrid PH&EV at our special economic zone.

Deepak Jain: Sir, on the EV project, what is the status right now? So, when do you expect to start supplying to that GM order which you have got? And any new customers are you talking to?

Dilip Kumar: No, the talking to customers is a continuous thing. And so, receiving RFQs and engaging with the customers is an ongoing thing. But without getting into names, for a moment, I would say we are supplying to North America, and the project is on stream. And like I said in the earlier part of the call, we will be supplying from H2.

Deepak Jain: And sir, on wind power, what is the revenue potential over the next, let's say, 3 to 5 years, given that you are saying that structurally, more investments are happening on wind and people are moving away from the dirty fuel. So, what kind of potential, can it become 2x, 3x from current levels?



- C. Rajagopalan:** Yes. From the current level, I would say that, you should be in a position to easily double within the 3 years. From the current level of Rs. 250 crores, we should be reaching Rs. 500 crores plus in the next 2 to 3 years.
- Deepak Jain:** And sir, last question. You said that content for vehicle growth is you're witnessing in MHCV, whereby you're likely to see double digit revenue growth. What is the status on PVs? Because a lot of premiumization, and EV mix is also increasing. So, what is happening on the PV in terms of content per vehicle?
- C. Rajagopalan:** Actually, it's a good question. And what is going to be relevant is the extraordinary push from the government side in terms of Atma Nirbhar and the QCO orders, I hope you are familiar. So, it is kind of indirectly nudging and forcing the OEMs to localize whatever they are importing currently. If, again, as Mr. Dilip said, the new government formation is crucial. And if the same Atma Nirbhar push continues to happen, the current huge imports of components which is happening, specifically in the PV segment, will come down and they will be forced to localize. I'm sure that is going to happen, because already we are seeing the acceleration. We are getting lots of enquiries, and then whom we have been approaching, and they are now approaching us. So, it's a kind of a good news for all the component suppliers with the Atma Nirbhar initiative of the government.
- Deepak Jain:** Sir, last question is on PLI. Can you just highlight what is the status? Are you opting for PLI?
- Dilip Kumar:** We have opted for PLI. We are one of the approved companies. Our products are yet to get an approval from the testing agency. And now things have slowed down a bit. We expect some traction in Q2.
- Moderator:** Next question is from the line of Sahil Rohit Sanghvi from Monarch Network Capital. Please go ahead.
- S.R. Sanghvi:** Sir, my first question is I wanted to understand on exports. I think we have achieved something like a \$170 million kind of export revenue for the full year. Should this meaningfully go to around \$200 million for FY25, assuming that second half, we see some EV orders and wind will also scale up? What is your target for '25?
- Dilip Kumar:** We expect our exports to touch to \$200 million.
- S.R. Sanghvi:** And the improvement in exports that we saw this quarter, was that largely because no auto strikes and maybe classic trucks doing a little better? Or are we seeing some real demand improvement in those markets?
- Dilip Kumar:** Yes. These are demands, which are, which will be sustained recovery. And I think the customers are increasing our production. And the channel destocking which happened, it's behind us now.



And I think we will grow and from what customer forecast, what we have got from our major customers, things are looking up. And I think in Q1 and Q2, our growth will be much higher than Q4 of last year.

S.R. Sanghvi: Question would be, what was the one-off expense due to the floods that you've recognized in Q4 FY24?

Dilip Kumar: Can you repeat that question, please?

S.R. Sanghvi: I mean, non-recurring expense related to the floods that you've recognized in Q4 FY24, that you alluded to when you had started.

Dilip Kumar: It is there in our notes and accounts. I will give you the number, that is the net amount, it's Rs. 3.38 crores.

Moderator: Next question is from the line of Vignesh from Ksema Cap Wealth. Please go ahead.

Vignesh: Sir, just want to understand the capacity utilization and any new projects coming on screen this year?

C. Rajagopalan: So, the capacity utilization should be around 65% to 70%, yes, across I'm talking about. And quite a lot of new projects are coming up, which across all the divisions, whether it is a fastener division, we are getting new customers, we are getting new entries into the overseas market, direct exports to the OEMs. And then the same is the case with our other divisions like Autolec and MFD. So, we have been working heavily on to getting in line with our whatever concept of TQM. We are looking at new customer acquisition and new products from the existing customers, new platforms. So, we are working on all the areas to look at the growth and not to leave any stone unturned.

Dilip Kumar: Yes. There are also other projects which are in the pipeline. So, where we are working with the customers, probably slightly premature to discuss at this stage, but there are some interesting projects we are working on.

S.R. Sanghvi: And one more question on the wind size. How were the revenues now coming up, like it's domestic predominantly or exports? How are we focusing on and what's the future outcome, sir?

Dilip Kumar: So, currently, the ratio between domestic and exports is 70-30. And I think that proportion will continue. But I think towards the later part of the year, like I have been saying that from H2, we expect higher export revenues. And so maybe we will go back to two thirds domestic and one third as it was the case in the earlier years.



- S.R. Sanghvi:** And the last question is on the metal pricing. Sir, off late, we have seen increase in prices. So, will it have any impact going forward, sir? Or how do we see the pack of it?
- Dilip Kumar:** I think metal prices, especially the steel, have been largely stable last year. We expect that trend to continue. But having said that, the Chinese imports, there are certain licensing requirements now. So, the supply of Chinese steel is going to be limited. And for some market correction, there is a possibility of prices going up in steel.
- S.R. Sanghvi:** So, we have the pass-through contract, or how is it sir like?
- Dilip Kumar:** Yes, sir. We have pass-through arrangements with all our customers.
- S.R. Sanghvi:** That's it from my side.
- Moderator:** The next question is from the line of Mr. Ram Seshan from Avendus Spark. Please go ahead, sir.
- Ram Seshan:** Hi. Thanks again. Could you remind us as to what's our EV order book as on date and the time over which this is going to be booked into revenue?
- Dilip Kumar:** So, the visibility at this point of time is that it's peaking in 2026, about \$112 million, \$110 million. And we expect that level of EV business, not only EV, like we have been saying, hybrid, PHV, ICE, EV, all coming under this export book to continue up to 2030.
- Ram Seshan:** What's the order book that you said, the cumulative stock figure as of now?
- Dilip Kumar:** Yes. So, we have been talking about Rs. 4,000 crores of order book, the pipeline, and so that's where it is.
- Ram Seshan:** And, sir, could you also help us with, let's say, some tentative RFQ figures that Sundram Fasteners is hoping to convert into this order book? That will give us a sense of how this Rs. 4,000 crore order book might grow?
- Dilip Kumar:** Ram, these are orders which have to be executed and this is our forward book, which I was referring to. And this does not include the ongoing negotiations with customers for new products or other RFQs.
- Ram Seshan:** And could you also tell us which are the products that we are currently supplying for the EV business and the new products that we are looking to develop for EVs?
- R. Ganesh:** In terms of EV, today, we are manufacturing and supplying hot forged and machined parts like bevel gear and pinion. We supply the battery coolant caps. We supply fasteners. We are also



into multivariate shafts which go into the powertrain application. And we are also working on electric water pump. So, all our technologies have application toward EV requirements.

Moderator: We have a next question from the line of Sriram R., who is an individual investor. Please go ahead.

Sriram R.: Thank you for the opportunity. So, what would be the difference in content for vehicles for EV versus your current ICE portfolio? And also, like today your non-auto must be 30%, right? So, 5 years out, what would be the contribution from non-auto and your EV portfolio? Just ballpark figures.

R. Ganesh: See, with respect to the non-auto portion, while today we are at 30%, the aspiration is to go to 50%. That is the aim with which we are working. And I think with our special focus on wind energy and fasteners for industrial application and off-highway application, I think we are poised on course to reach that number.

C. Rajagopalan: And the first part of your question, you were talking about the comparison between the regular ICE and EV. I would say only thing is here, the ICE engine is not there, the battery system is there. So, the difference could be around 25% to 30%, so big difference between the two in terms of typical steel forge and short machine items.

Sriram R.: So, 25% to 30% reduction in your content per vehicle, correct?

C. Rajagopalan: Yes, that's the engine portion, if you purely are talking about electric vehicle, that is BEV.

Sriram R.: Sorry, sir, come again?

C. Rajagopalan: So, purely an apples-to-apples, between a pure ICE to a pure BEV. So, let's say that the delta could be 25%. So, that would be maximum 25% to 30%.

Sriram R.: And sir, 5 years out, what would be the contribution from the EV portfolios for you?

C. Rajagopalan: Five years from now, see, ideally, we are looking at the goalpost of 2030. Now, they are looking at 2035. So, these electric programs are slightly getting, like you said delayed. So, but eventually, I think it will pan out like 50% to 60% ICE and then 15% plugged HEVs and then balance may be 25% to 30% could be the BEVs.

Dilip Kumar: Sir, the growth in EV will be calibrated. It will, I think, not be an overnight change and I think people are migrating from ICE to hybrid PHV and EV. And so, while EV at this point of time appears to be the future and this will be calibrated.

Sriram R.: I get that. Thank you so much, sir. All the best.



- Moderator:** Next question is from the line of Nemish Shah from Emkay Investment Managers Limited. Please go ahead.
- Nemish Shah:** Sir, just one clarification on the Q4 results. If you could just give in terms of what was the volume growth for us this quarter?
- C. Rajagopalan:** Volume growth, I think barring tractors, all the other segments grew by around 8% to 10%, 7%. Only the tractor segment did not grow much. In fact, there was a degrowth in the tractor segment.
- R. Ganesh:** If you look at the industry, I think between Q4 to Q3, the industry grew by about 3% to 4%. And with our product range from fasteners to oil pump and water pump, we have grown to the extent of 8% to 10%. That has been the volume growth with respect to Q4 sales.
- Nimesh Shah:** Sir, this is Y-o-Y you are talking about, right?
- R. Ganesh:** I am talking about quarter-on-quarter.
- Nimesh Shah:** Quarter-on-quarter?
- R. Ganesh:** Yes.
- Nimesh Shah:** And sir, just one thing. Sir, you mentioned about capacity utilization 65% to 70%. And so, as this ramps up, so any sense about our EBITDA margins, how they would move going forward?
- Dilip Kumar:** So, in the Q4, we registered 17%. I think that direction is positive compared to a year ago. And I think that trend will continue.
- Nimesh Shah:** So, do we see us moving back to that 19%, 20% band range going forward? Or some investments would probably take up some costs?
- Dilip Kumar:** Some of the investments which we are making in the non-auto space as well as the auto for exports will give us higher EBITDA. While getting back to 19.20 is definitely our aspiration.
- Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for the closing comments.
- Dilip Kumar:** So, once again, thank the investors and analysts for joining this Sundram Fasteners Q4 earnings call. Like I said at the beginning, we have had a strong Q4. And I think the Q1 has started off well. And like we discussed, once the spending happens by the government and the investment in infrastructure, as we all know that infrastructure has been accorded highest priority in the government budget, which will have a multiplier effect on the economy. And with the monsoon, we expect the tractor segment to do well, with the government spending the CVs to do well. And



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with the burgeoning middle class and higher disposable income, and with the favorable monsoon rural sector also doing well, I think even the passenger vehicle segment will also do well. And for us, I think this will be an export-led performance this year. And like we have been saying that we will be executing some of those orders in H2. And we look forward to a very strong year. Thank you.

Moderator:

Thank you. On behalf of Avendus Park, that concludes this conference. Thank you all for joining us. And you may now disconnect your lines.