



PRICOL LIMITED

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Monday, 3rd February, 2025

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Dear Sir,

Sub: Con-call Transcript

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith submit the Transcript for the Con-call held on 30th January 2025 pertaining to Company’s unaudited financial results for the quarter and nine months ended 31st December 2024.

This is for your information and records.

Thanking you
Yours faithfully,
For Pricol Limited

T.G.Thamizhanban
Company Secretary
ICSI M.No: F7897

Encl. As above



PRICOL Limited
PRICOL Limited Q3 and 9 months FY'25 Earnings Conference Call
January 30, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Q3 and 9-month FY 2025 Conference Call of PRICOL Limited.

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 this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone.

Please note that this conference is being recorded. At this time, I would like to hand the conference over to Ms. Nupur Jainkunia. Thank you and over to you Ma'am.

Nupur Jainkunia: Thank you. Good evening, everyone, and a warm welcome to you all. My name is Nupur Jainkunia from Valorem Advisors. We represent the Investor Relations of Pricol Limited. On behalf of the Company, I would like to thank you all for participating in the Company's Earnings Call for the 3th Quarter and 9 months ended for the Financial Year 2025. Before we begin, a quick cautionary statement. Some of the statements made in today's concall may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of Today's Earnings Conference Call is purely to educate and bring awareness about the Company's fundamental business and Financial Quarter under review.

Let me now introduce you to the management participating with us in today's earnings call and hand it over them for Opening Remarks. We have with us Mr. Vikram Mohan – Managing Director; Mr. P. M. Ganesh – Chief Executive Officer and Executive Director, and Mr. Priyadarsi Bastia, Chief Financial Officer.

Without any further delay, I request Mr. Vikram Mohan to start with his opening remarks followed by financial and operational highlights of the company. Thank you and over to you, sir.

Vikram Mohan: Thank you, ma'am. Good evening everyone and a warm welcome to our Q3 FY'25 earnings call. The presentation has already been uploaded and I hope all of you have had a chance to see the

same before this call. As all of you are aware, the automotive industry is seasonal and the Quarter 3 is always the weakest quarter in the financial year. In spite of having a weak quarter in the automotive industry, your company has performed reasonably well under the conditions. Our revenue for Q3 is Rs. 6,159 million with EBITDA of Rs. 780 million with EBITDA margin of 12.67%, PAT of Rs. 414 million with PAT margin of 6.73% with a basic EPS of Rs. 3.40. At a consolidated level, our long-term borrowings continue to stand at nil. We will move straight to the question-and-answer session.

May I request participants in the interest of democracy to restrict yourselves to one question and once you receive the answer for the same, to go back to the question queue so that everyone in the call has a chance to ask questions. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. First question is from the line of Khush Nahar from Electrum PMS. Please go ahead.

Khush Nahar: My first question was regarding the demand. This quarter, we have grown 11%, which has been considerably on the lower side in the past 10 quarters. So, what kind of growth are we seeing going ahead from FY'26. After the consolidation, we are well above our target of 3600 of revenue that we have envisaged. So, what type of growth we see FY'26 onwards also on a consolidated level?

Vikram Mohan: This quarter, demand was a little muted in the entire industry and in addition, we had some supply chain issues, which resulted in lower sales. We are expecting to grow at around between 13% and 15% based on our product mix, new product introduction, and market demand.

Moderator: Thank you. Next question is from the line of Aman Agarwal from Carnelian Capital. Please go ahead.

Aman Agarwal: My question was on the acquisition. If you can briefly talk about the strategy for this acquisition and once the deal is complete, what will be our strategy and plan for the next 3 to 5 years? Since TVS is the largest customer, it is diversifying from that as well as focus on growth from that segment as well as margin improvement. You can talk a bit on that.

Vikram Mohan: Aman, I will break that up into 3 parts the answer for the say, the rationale for the acquisition. I have always maintained over the last 2 years that we are looking at an acquisition where in a commodity space and plastics is something that we understand very well in Pricol and we are masters in plastics and we want to acquire a company with a low TTM or time to market as we say in our industry. Because in our current products, from the LOI for the business to the start of production is anywhere from 30 to 36 months. We wanted to acquire a business with a 12-to-14-month TTM and we came across this asset which was well run, belonging to the TVS group with good value systems, good quality and good engineering. The revenue from the TVS group is about 50% at this point in time. The plan is to significantly grow this business and move from a component supplier to an FSS business. The total business that is expected to be done

by this company this year is about 800 crores with an EBITDA of about 70 crores and we have acquired the business at an adjusted EBITDA multiple of 3.5 times EBITDA multiple which is value accretive to our shareholders. The growth plan as I mentioned is to move from more components to more engineered products which is to be a FSS plastic supplier. This company already has some world class customers as its customers and I personally met all of these 6 customers and they are willing to grow the business and expand the business and probably in a quarter from now once we take over management and start the planning process I will be in a better position to comment about a 3 to 5-year outlook. But our plan is to double the business to about or somewhere in the region of 1700 crores over the next 3 years. Both organically and inorganically.

Aman Agarwal: Understood sir. That was really helpful just a follow up on that. How much would be the domestic revenue and how much would be exports? Incrementally would we focus more on domestic or exports?

Vikram Mohan: There is no export revenue in the company. It is entirely domestic. Once we take control and follow up to quarters down the line we will explore what are the possibilities for export revenue but exports in a plastic commodity is the chances are much lower unless we get into an FSS mode.

Aman Agarwal: Right and so can we sell it to our existing customers?

Vikram Mohan: Exactly. That is the thought process. That was the logic. Because being a TVS company they were restricted from selling to other two wheeler makers and other OEMs. With Pricol coming on board we will now pitch this business to all our other OEMs where we are working.

Moderator: Thank you. Next question is from the line of Vipul Kumar Anupchand Shah from Sumangal Investments. Please proceed.

Vipul Shah: Hi. Thanks for the opportunity. So sir can you comment on this recent two tie ups CGI Studio and TYW. So how they will be beneficial to us and so if you can briefly explain.

Vikram Mohan: These are very old tie ups Mr. Shah. CGI Studio and Pricol have been working for a long time and TYW and Pricol also have been working for 1 year. This is more on technology and graphics and animation for our new projects. This is not a joint venture. This is only to enhance our technology in our products and this is not new relationships. These are old relationships.

Vipul Shah: Ok. So we just pay the royalty or something like that?

Vikram Mohan: It is a case-to-case basis. Development costs are paid and there is some transfer of technology.

Moderator: Thank you. Next question is from the line of Dhiraj Kaswan from RRR Investments. Please go ahead.

Dhiraj Kaswan: First of all congratulations on the acquisition and next I would want to know that 50% of the revenue of Sundaram comes from TVS and other revenue comes from the other where they supply. So how confident are you that you will not lose those customers as the company has left the umbrella of TVS and is joining Pricol now?

Vikram Mohan: I have personally visited all the other 6 customers that contribute to the bulk of the business. They are very happy with the company and its products and strengthening the business and growing.

Dhiraj Kaswan: Thank you and another follow up was that you said that you assume the company is going to grow at 13-15%. That is your estimate, and you want to double the revenue in the next 3 years so around 26-27%.

Vikram Mohan: 13-15% is the growth rate for Pricol with new product launches and market growth and product mix. Sundaram Auto Components Limited which will henceforth be referred to as Pricol Precision Products with effect from 1st February, we want to take the business to about 1600-1700 crores over the 3 years through organic and inorganic means.

Dhiraj Kaswan: Ok. So that 13-15% growth estimate is including Sundaram or is it just for the Pricol?

Vikram Mohan: It is excluding. It is for the business as it stands today for Pricol Limited. Pricol Precision Products which is how Sundaram Auto Components is going to be called. We are looking at doubling the business over a 3 year period to about 1600-1700 crores which is far higher than a 13-15% growth rate.

Dhiraj Kaswan: And the revenue of Sundaram will start flowing from which date?.

Vikram Mohan: Tomorrow is the date of closure. So if all goes well from 1st February it becomes a subsidiary of Pricol.

Moderator: Thank you. Next question is from the line of Aman Agarwal from Carnelian Capital. Please proceed.

Aman Agarwal: So my question was on the ACFMS business. That business, how are we seeing the demand in domestic as well as exports market and we were facing some issues in the exports market over the last 1-2 years in this business some slowdown and all. So how is that behaving now and are we seeing some green shoots in that segment and any outlook on that?

Vikram Mohan: Exports have actually become even more hit-wins we have faced in exports and that is a cause of concern for us. We have seen off-take. We have not lost business or share of business. But the volume of business has come down because the production of the OEMs have come down in our market. But that will be offset from the next, let's say about 8-12 months or so with our disc brake business starting to pick up volumes.

Aman Agarwal: Sorry sir, disc brake business will start in what period so far? When will the revenue start flowing from the disc brake business?

Vikram Mohan: Disc brake revenue has already started. We have started supplies but the ramping up is happening. But in about 8-12 months we will start reaching mature large volumes.

Aman Agarwal: Understood sir. Sir, one final question from my side. If I see this quarter's employee cost, it has increased despite the lower revenues in this quarter compared to last quarter. Is there some one-off or this is the recurring run rate and any reason for this increase in employee cost?

Vikram Mohan: As a percentage of revenue it is the employee cost. It is not an absolute number because the revenue has come down typically this happens in quarter 3 of every year. This is something that you will see.

Aman Agarwal: Right sir. And why it is that sir? Any reason for this quarterly phenomenon?

Vikram Mohan: Because quarter 3, the revenue is always lower in the industry. Automotive industry is always Q3. Post Diwali there will be a drop and all customers shut down and the revenue is lower and that is the standard practice in the industry for decades. \

Aman Agarwal: Understood sir.

Moderator: Thank you. Next question is from the line of Jaymin Desai from Emkay Global. Please go ahead.

Jaymin Desai: Good evening sir. Congratulations on the acquisition and thanks for taking my question. Sir, firstly just a clarification. The 13-15% growth number that you mentioned, that would be more near term, so Q4 or maybe next year as well?

Vikram Mohan: We are expecting this growth rate over the next couple of quarters. 13-15% steady growth rate we are planning to maintain over the next couple of quarters.

Jaymin Desai: Got it. That's helpful. Secondly, on Sundaram Auto Component margins, it added for about 70 crores of EBITDA on a top line of about 800 crores, implying about high single digit sort of margins, whereas we are placed quite a bit above that. How do you see margins progressing in this entity over the next couple of years and what would be the drivers for that?

Vikram Mohan: We are hoping over the next couple of quarters to increase the margin by about 200 basis points, which is why we have bought it at a lower EBITDA multiple for it to be value accurate.

Jaymin Desai: Understood and this would be largely via efficiency improvements or any other reason?

Vikram Mohan: I believe during efficiency improvements, productivity improvements and upgradation of certain machinery. Because the company in the last 2 years, ever since they kind of started looking at divesting non-core businesses, not much of attention has gone into this business.

Jaymin Desai: Understood. Just final question if I may squeeze in. Any other thought process on more M&A activity?

Vikram Mohan: I just mentioned earlier, we are looking at growing our plastics business both organically and inorganically.

Jaymin Desai: And in Pricol?

Vikram Mohan: Pricol at this point of time, we do not have anything in the offing.

Moderator: Thank you. Next question is from the line of Khush Nahar from Electrum PMS. Please go ahead.

Khush Nahar: So, first question was how much debt would be there on the books after the consolidation?

Vikram Mohan: I would request my CFO, what would be the consolidated debt post-closure of the Sundaram transaction on the consolidated balance sheet?

Priyadarsi Bastia: On a consolidated basis, as we stand today, there is zero debt. After the closure of Sundaram deal, we will hardly have 80 crores of debt.

Vikram Mohan : Consolidated, including Sundaram?

Priyadarsi Bastia: Including Sundaram, sir. We will have 80 crores of debt.

Khush Nahar: Okay. And the second bookkeeping question was that our other expenses have been increasing, maybe 3%, 4% for a couple of quarters, 2 quarters and on third quarter, it's around 6% de-grown. So, is there any particular reason or is it the operational efficiencies that are kicking in?

Vikram Mohan: Operational efficiencies and one-off, we use consultants to do certain technology agreements and also for this deal, we have engaged, for due diligence and everything, we have engaged people. These are the costs.

Khush Nahar: No sir I am saying it has reduced by 6% in this quarter. So, that is because of the operating leverage only?

Priyadarsi Bastia: Yes. See, you got it correctly. In Q3, it has come down. Q2, it was a little higher. Q3, because there are a couple of operational efficiencies which has come in and some cost reduction initiatives which we have started, because of that, the cost has come down.

Khush Nahar: Okay. So, we can assume that 6.8% broad of revenue as a percentage should be maintained going ahead, instead of 8%.

Priyadarsi Bastia: Kind of.

Moderator: Thank you. Next question is from the line of Suraj, retail investor. Please go ahead.

Suraj: Yes, sir. Just one thing that I wanted to understand. Who are the biggest competitors that you are facing in the industry? Is it the auto OEMs or is it the auto ancillary manufacturers and secondly, what is the competitive advantage that you have as compared to your competitors? Is it in terms of the network effect or technological effect? So, these are the 2 things that I wanted to understand.

Vikram Mohan: We still hold the largest market share for two-wheelers and off-road vehicles and commercial vehicles in the driver information system, which is our principal line of business. It is a combination of quality, cost, delivery, service, and technology, which is why we have the lion's share of the market. Our competitive landscape is companies like continental, Nippon Seiki, Visteon and Minda. These are our 4 principal competitors. In spite of which, we are maintaining a very healthy 40-plus percent market share in two-wheelers and 80-plus percent market share in commercial vehicles and off-road vehicles. It is only because of our continuous investment in technology. Even today, out of 1,000 employees in total white collar, 480 employees are just in R&D and technology.

Moderator: Thank you. Next question is from the line of Richa from Equitymaster. Please go ahead.

Richa: My question is related to what share of revenue is coming from the electric vehicle segment. Also, if you could just give some commentary on what is happening on the BMS licensing agreement and the plan to manufacture in-house.

Vikram Mohan: I will request our CEO, Mr. Ganesh, to answer both those questions on the BMS and on the electric vehicle, what percentage of sales of our total sales?

P. M. Ganesh: Good evening, Richa. The EV contribution has been continuously increasing on the driver information system space. We are a major supplier to all the traditional OEMs like Hero Motor Corp., TVS Motor, and also Bajaj. So, our pie on EV has been continuously increasing. But, of course, some degree of maturity will be reached after 12 months because all these OEMs are evolving in terms of the volume. But, the pie of EV is continuously increasing, is number one. Second thing is on the battery management.

Richa: Sorry to interrupt. Is it below 10% or higher than that?

P. M. Ganesh: Currently, it is below 10% because if you see the total pie of the EV compared to the total two-wheeler manufacturing is still quite low and it is evolving. We are very careful in the penetration into the startup EVs primarily because a lot of fluctuation is happening currently in the volume. So, secondly, a battery management system is under development and it is under testing with few of our key OEMs. May be H2 of this year, we will start some business on the BMS. And next year would be a full year of the battery management system sales.

Richa: Sir, any kind of quantitative guidance on what kind of opportunity we are looking at here? It would be a little difficult for us to talk about the numbers and value. But, what we can tell you is that it is currently under testing with our key OEMs.

Vikram Mohan: Unless it is tested and passed, we will not be able to indicate any volumes.

Moderator: Thank you. Next question is from the line of Siddharth Chhabra from Minerva Asset Advisors. Please go ahead.

Siddharth Chhabra: Hi. Can you give me the asset turns and the working capital as a percentage of sales for Sundaram Auto Components? Asset turns of Sundaram and the working capital as a percentage of sales for Sundaram. What is the number there?

Priyadarsi Bastia: Working capital, they work with 20 days of working capital and asset turns, it is a very asset light entity because all the investments were very old investments. So, asset turns are pretty high there.

Siddharth Chhabra: Can you give me a number? Is it possible?

Priyadarsi Bastia: Assets are pretty old.

Vikram Mohan: I don't think he has a readymade number right now on the call. If you can send an email to our secretarial department, our CFO will be able to answer.

Siddharth Chhabra: Okay. I will do that. Secondly, can you tell me regarding the TFT clusters within two-wheeler market. Can you give me an idea about how do you see the ramp-up in penetration there? What the current penetration would be and how do you see the ramp-up in the next 3-5 years probably?

P. M. Ganesh : TFT cluster again is an evolving technology in the two-wheeler. Today, 5-7% of our revenue is coming from TFT clusters and as more EV is going up, TFT is something that is going to become a major feature in all these vehicles. Not only on the EV, in the recent times even IC engine has started adopting the TFT primarily because of the flexibility whatever it offers in terms of many features that can be added in quick time. So, we foresee that it is going to have good growth in the next 2 years. If you remember, 5 years back, many of the mechanical clusters got converted into LCD. Today, the same thing is happening. Moving, migration is happening from LCD to TFT.

Siddharth Chhabra: Okay. And by penetration, I meant in the overall industry. You gave me the revenue figure. That's great that will be also helpful. But in terms of the industry, in terms of two-wheeler, how many units would be having the TFT and also you said, except EV, there is adoption coming. So, within that, where is it coming, scooters, bikes, where are you seeing this penetration increasing?

P. M. Ganesh : We are seeing TFT adaptation both in the scooter and motorcycle, both. It is not because it is a scooter, EV or IC or motorcycle. TFT is a convenience for people to have more features like onboard navigation or connectivity, Bluetooth, Wi-Fi, screen mirroring. Many of the features, if you have seen, Pricol already has launched that in the market with multiple two-wheeler customers. Now, if you ask me two-wheeler TFT in specific, we are quite proud to say that nearly 80% of the TFT business of whatever is there in the two-wheeler is with Pricol.

Siddharth Chhabra: Okay. So, 80% of TFT two-wheeler industry is with Pricol.

Vikram Mohan So, two-wheeler TFT 75-80% market share is maintained by Pricol.

Moderator: Thank you. Next question is from the line of Praveen Yadav, an individual investor. Please go ahead.

Praveen Yadav: Sir, I have two questions. The first is about the product mix. Basically, volume and revenue product mix in terms of two-wheeler, passenger vehicle, commercial and off-road vehicles and my second question is about how we are progressing on e-cockpit commercialization. Are we able to get any order from any customer in the near future?

P. M. Ganesh : To give you a rough product mix in terms of vertical, this is little rough. 65% of our revenue comes from the two-stroke three-wheeler. If you see on the automotive side, 65% to 70% of the total India vehicle production comes from the two-wheeler. This is one and Pricol follows the same standard of what the industry has in terms of percentage. That is why we are a very balanced company cutting across all segments of the market. Second, 10% of our revenue approximately comes from the commercial vehicle segment. Now I am including tractors also though it is not a part of the automotive since we are a major supplier to tractors. 5% to 7% comes from the tractor industry and off-road vehicle, 90% of the market share is with Pricol on the off-highway vehicle, the construction equipment where 7% to 8% of our total pie comes from the off-road vehicle and the remaining 10% comes from the personal passenger vehicle segment.

Praveen Yadav: Okay. Got it, sir. Thank you. The other one is about the E-Cockpit commercialization. Can you please share some updates on that?

P. M. Ganesh : I will break up E-Cockpit into two. One is, you have to be on the infotainment before we go into the E-Cockpit. Infotainment already actually is under testing with certain key four-wheeler customers at this point of time. We are jointly evaluating our infotainment. Step two would be in parallel we are developing the E-Cockpit which will have the integrated connected cluster with the infotainment that is also under testing. In fact the good news is even two-wheeler now has started looking into the infotainment system in a larger manner and our product is getting validated with some of the two-wheeler customers as well on the infotainment. We hope from the next financial year because this takes a longer time for the software maturity and the testing which has to happen at our place and the customer place. So we expect from

next financial year not from 2025-2026, 2026-2027 onwards we expect good amount of revenue to come from the infotainment and E-Cockpit.

Moderator: Thank you. Next question is from the line of Bismith Nayak from RW Advisors. Please go ahead.

Bismith Nayak: Thank you. Sir, you hinted at loss of sales due to supply chain issues in your initial answers. So can you please quantify this and are these issues largely over with?

Vikram Mohan: These issues are getting under control. About 50% mitigation has been done and the other 50% mitigation will happen in Q4 as we speak and supplies will be normalized from Q1 of FY'26.

Bismith Nayak: Understood. So the 13% to 15% Pricol's guidance is adjusted for this also, I am assuming?

Vikram Mohan: Yes.

Bismith Nayak: Okay. Another, sir, just a clarification that exports will remain subdued for the next 8 to 12 months. Did I hear it correctly?

Vikram Mohan: At least for 8 quarters.

Bismith Nayak: Okay. So Pricol's domestic mostly plus SAC ramping up from high single to low double digit. So with export remaining subdued and domestic as well as SAC's ramp up, Sundaram's ramp up, we should expect EBITDA to be somewhere around 11 to 12%?

Vikram Mohan: Around 11 to 12 is right, yes.

Bismith Nayak: Okay and lastly, sir, what will be the PAT figure or PBT figure for Sundaram?

Vikram Mohan: Why don't we comment about Sundaram once the acquisition is completed, we take control because technically, as of today, it is not Pricol's company.

Moderator: The next question from the line of Khush Nahar from Electrum PMS. Please go ahead.

Khush Nahar: Thank you for the opportunity. Sir my question was regarding Sundaram. Could you elaborate who are our major competitors and second, sir, what kind of CAPEX we are seeing in Pricol and in Sundaram for the next 3 years?

Vikram Mohan: Sundaram, we will talk about, like I said, all questions pertaining to Sundaram, broad contours of the deal have been given. Once we complete the acquisition and first 3 months we work on the company, we will be in a better position to give you more figures of how much CAPEX is required, how much more supply and demand, etc. Pricol we are at the far end of a 650 crore CAPEX cycle, which I have been talking about for the last 3 years. We are at the far end of that last 200 crores of that CAPEX cycle.

Khush Nahar: Okay and sir major competitors for Sundaram, if you can just comment.

Vikram Mohan: There are plenty of people in the plastics industry. There is Baroque, for example. There is Motherson in some cases. There is Tata Plastics in some cases.

Khush Nahar: Okay, sir. So just how do we plan to compete with these players, what differentiates us?

Vikram Mohan: See the company is competing with all of these players and making money. So we will continue to do the same thing and do it better.

Moderator: Thank you. Next question is from the line of Siddharth Chhabra from Minerva Asset Advisor. Please go ahead.

Siddharth Chhabra: Hi. So we are talking about the CAPEX that last 3 years, this 600 crore cycle is going to be finished. Now, do you have – is it possible to give any idea over the next 3 years what the kind of CAPEX is going to be? Any range possible?

Vikram Mohan: Now, we have just gone through a heavy round of CAPEX. Now, we will go CAPEX lite unless there is any inorganic growth before going through the next phase of growth.

Siddharth Chhabra: Maintenance CAPEX and that would be in the range of?

Vikram Mohan: Our maintenance CAPEX is about 100 to 120 crores a year.

Siddharth Chhabra: Okay. So unless there is acquisition, this is going to be your yearly run rate going forward?

Vikram Mohan: Yes. Sundaram, of course, once it becomes Pricol Precision, we will then work out the CAPEX plans for that company and in about 3 to 6 months, we will have a CAPEX plan for that company.

Siddharth Chhabra: Okay. Right and earlier, the EBITDA margins were being discussed going forward and you said that it should be expected in the 11 to 12% range.

Vikram Mohan: So I always maintain that we will be on a consolidated basis at around 13%. Now, with Sundaram joining the table, it is going to be a lower average because the plastics business is a lower average. But in terms of rupee EBITDA, obviously, it is going to go up.

Siddharth Chhabra: Okay. But you maintain the overall margin at 13%?

Vikram Mohan: Overall margin of Pricol will be maintained, but when Sundaram consolidates, it is going to come down lower because plastics is a single digit margin and not a double digit EBITDA product.

Moderator: Thank you. Next question is from the line of Smit Shah from Monarch Network Capital. Please go ahead.

Smit Shah: Hi, sir. My question is on the ACFMS segment. What kind of growth can we expect in that segment and what are the levers of growth in that segment?

Vikram Mohan: Levers of growth in the segment will be the fuel pump module, which will ramp up over the next year, and disc brake, which will ramp up in the next 12 to 24 months. These will be the major growth drivers coming to the ACFMS segment in the coming quarters.

Smit Shah: Okay. So disc brakes, we have started to supply, right, but not in a meaningful manner right now. That is the status, right?

Vikram Mohan: No, we have started supplies already of the disc brake and our product is on the field. Now it is on a ramp up phase.

Moderator: Thank you. Next question is from the line of Swapnil Gupta from White Pine Investment Management, Private Limited. Please go ahead.

Swapnil Gupta: Sir, what is the current penetration of TFT clusters in two wheeler and going forward, say in next 2 to 3 years, what will be the TFT penetration?

Vikram Mohan: I think this question was answered earlier today by our CEO.

Moderator: Thank you. Ladies and gentlemen, we will take this as the last question for the day. I would now like to hand the conference over to the management for the closing comments.

Vikram Mohan: Thank you very much all for your participation in this conference and look forward to seeing you in the full year FY'25 results conference call, where we will also be able to throw a little bit more light on our new acquisition, which would be completed in our management control by then. Thank you very much. Good evening.

Moderator: Thank you. On behalf of Pricol Limited, that concludes this conference call. We thank you for joining us, and you may now disconnect your lines