



# NDR AUTO COMPONENTS LIMITED

**Corporate office:** Plot No.1, Maruti Joint Venture Complex, Gurugram, Haryana-122015

**CIN:** L29304DL2019PLC347460

**Website:** www.ndrauto.com

**Email id:** contact@nacl.co.in

**Phone No.:** 9643339870-74

16<sup>th</sup> August, 2024

BSE Limited Corporate Relationship Deptt. PJ Towers, 25 <sup>th</sup> Floor, Dalal Street, Mumbai – 400 001 Scrip Code: 543214	National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Scrip Code: NDRAUTO
--	--

**Sub: Transcript of the Earning/Quarterly Call of FY 2024-25**

Dear Sir/Madam,

Pursuant to the provision of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the transcript of the earnings/quarterly call Q1 of FY 2024-25.

The same is also available on the website of the Company.

Kindly take the same on your record.

**Thanking You**  
**For NDR Auto Components Limited**

**Rajat Bhandari**  
**Executive Director and Company Secretary**  
**DIN: 02154950**  
**Encl: As above**



## NDR Auto Components Limited

### Q1 FY'25 Earnings Conference Call Transcript

August 09, 2024

---

**Rishab Barar:** Good day everyone and a warm welcome to all of you participating in the Q1 FY'25 Earnings Conference Call of NDR Auto Components Limited.

We have with us today on the call, Mr. Pranav Relan – Whole-Time Director, Mr. Mohit Kumar Jain – Chief Financial Officer, and Mr. Rajat Bhandari – Executive Director and Company Secretary, along with other members of the Senior Management Team.

Before we begin, I would like to mention that some statements made in today's discussion may be forward-looking in nature and are subject to risks and uncertainties. A statement in this regard is available in the Q1 FY'25 "Earnings Presentation" shared with you earlier.

We will start this call with "Opening Remarks" from the Management, following which we will have an interactive question-and-answer session.

I now request Mr. Pranav Relan to share some perspectives with you with regard to the "Operations and Outlook" for the business. Over to you, sir.

**Pranav Relan:** Good day everyone and a warm welcome to our Q1 FY'25 Conference Call.

Let me start by quickly going through our "Financial Performance" for the Quarter under review:

Q1 FY'25 total income stood at Rs. 172.10 crore, a growth of 33.49%. EBITDA at Rs. 17.49 crore growth of 36.76%. EBITDA margin stood at 10.16% and PAT for Q1 FY'25 at 11.53 crore, which is higher by 39.91% as compared to the corresponding quarter last year.

We continue to see encouraging traction in demand. To cater to this, we have commenced expanding capacities. We have, as you may be aware, acquired land at Kharkhoda which is near to the upcoming Maruti Suzuki plant. The size of the land is around 9 to 10 acres.



We are also exploring land acquisition possibilities at Anantapur which is in close proximity to KIA's manufacturing facility. Both these initiatives on being completed will enable us efficiently cater to the growth and requirements of two of our large OEM clients.

All our initiatives are in line with our aspiration to expand our OEM partnerships and enhance our portfolio of offerings with innovative and differentiated offerings.

Just to recap, in February 2024 NDR Auto Components was impaneled as a T2 Supplier to Hyundai Transys to supply seat-trims to KIA. Supply of which will commence from January 2025. KIA is our third OEM partner adding to our other esteem long-term relationships with Maruti and Toyota.

Also in February 2024, we entered into a Technology Assistance Agreement with Hayashi Telemu for the supply of Sun Shades to Maruti and Toyota Automobiles.

Utilization at our facilities across Haryana, Bangalore and Gujarat stood at 80% to 85% offering us ample runway to grow in the medium-term by when our new facility will also become operational.

The auto sector is poised for growth in the coming decade, and we look to leverage on this and grow with our OEM partners. Our strong balance sheet affords us the opportunity to explore both inorganic and organic opportunities. We are excited about the potential of the business and are focused on creating value for all our stakeholders.

We will now be happy to discuss any thoughts or questions you may have.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Saket Kapoor from Kapoor Company. Please go ahead.

**Saket Kapoor:** Thank you sir for this opportunity and congratulations on a very strong set of number and a good start to the year. So, just wanted to understand that do we need to factor in any seasonality in your numbers or we can look these as the normal set of numbers going ahead also?

**Pranav Relan:** These are normal set of numbers for the quarter. Our numbers have actually been driven by strong SUV sales.

**Saket Kapoor:** What we are hearing is there is a lot of inventory issue with the CV segment. So how are you looking into the situation and what are our utilization levels and the deliverables for the near future of the two quarters, if you could give some color?

**Pranav Relan:** Our utilization level seems to be the same. Our production numbers also seem to be the same. So, let's see how the quarters play out.

**Saket Kapoor:** Sir, last point I missed, come again?

**Pranav Relan:** Our production volumes also seem to be the same. So, let's see how the quarters and how the market plays out.

**Saket Kapoor:** But there is an issue with the inventory?



**Pranav Relan:** Our production volumes seem to be intact, so there's no downward revision to that at the moment.

**Saket Kapoor:** And even the RM part of the story is stable now? RM remains the same Q-on-Q, and do you see any variations going ahead or any price revision upward or downward?

**Pranav Relan:** No revision as of now. It will depend on a model-to-model mix, but it's stable.

**Saket Kapoor:** So, going into the year, what should be the volume growth and where will the growth come from? This is my last question.

**Pranav Relan:** The markets actually played out quite well for us. Our model mix has been very favorable. In addition to that January 2025, we will start KIA, February 2025 we will start the shade and after that is the EV (vehicle). So, let's see how the market plays out.

**Saket Kapoor:** Thank you sir.

**Moderator:** Thank you. The next question is from the line of Jatin Chawla from RTL Investments. Please go ahead.

**Jatin Chawla:** Good afternoon and thanks for this opportunity. The first question is when I look at this quarter's numbers for the Company, they are very strong compared to the underlying volume growth that I see for the main clients. So, what sort of models are really driving this and is there a kind of share gain within the two key OEM customers also that the Company is seeing, or this is largely just model mix driven?

**Pranav Relan:** So, it's mostly a model mix. The Brezza has done very well, the Grand Vitara has done very well, Fronx has done very well, and Jimny has done very well. It is largely due to that. There has also been a slight increase in the market share.

**Jatin Chawla:** Where are we now on our share of business with Maruti for example?

**Pranav Relan:** So, we are at mid-30s, slightly improvement.

**Jatin Chawla:** And do we see this share of business going higher to let's say (+40%) over the next 2-3 years?

**Pranav Relan:** So, we are working on that. As soon as we get some new models, we will let you know.

**Jatin Chawla:** Thanks for that. My second question is in the last call you had said that you will be supplying to KIA from your existing Bangalore plant, and you will be looking at land in Anantapur only if you get further business from KIA. Now given that this quarter you are announcing that you are looking for land, have we won any further business from KIA which is kind of making us go for land acquisition in Anantapur?

**Pranav Relan:** We are looking for further land in Anantapur. If and when we acquire new business, then we will acquire land over there. Last quarter we have not acquired any new business from KIA.



**Jatin Chawla:** And on the Sun Shade product, because you had said that this is for both Maruti and Toyota with Maruti I think you have some sort of business starting from February '25. Any business visibility from Toyota.

**Pranav Relan:** So, actually you were expecting some RFQs from may be this quarter or so. If something can work, we will definitely let you know.

**Jatin Chawla:** And this quarter, we have also seen our EBITDA margins, kind of start to move to a slightly from the last few quarters; we were around the 9% mark, now we are kind of 9.5%. Do you see this improving to double-digit margin going forward as the business scales up further?

**Pranav Relan:** So, that's what we are working towards. Let's stick to the 10% mark for now.

**Jatin Chawla:** The new products and new OEM business is starting from Q4 FY25. So, for the next two quarters, we should look at this as the broad run rate. There is some festive seasonality, but by and large one should look at this as the base revenue quarterly run rate.

**Pranav Relan:** Yes, I think that should be a fair number to say, subject to how the market drives.

**Jatin Chawla:** And to the previous participant you said the utilization and production numbers remain the same. So, your comment was Q1 versus Q4 or was it kind of Q2 versus Q1?

**Pranav Relan:** No, quarter on quarter.

**Jatin Chawla:** So, the current quarter versus the previous quarter, right?

**Pranav Relan:** Let me put it in another way. Q2 FY'25 always seems to be better than Q1. Q1 is being great because the favorable model mix.

**Jatin Chawla:** And Q2 FY'25 if the same model mix continues should be slightly better given the seasonality. Thanks.

**Moderator:** Thank you. The next question is from the line of Ritu Kumari from LK Investments. Please go ahead.

**Ritu Kumar:** I just had one question. What is your focus in terms of portfolio expansion? What sort of products would you look at, if you could just help me with that?

**Pranav Relan:** Right now we are doing seats, we are doing some NVH (Noise Vibration Harness) parts and the sun shade. We are looking at some more parts. Once something happens, we will let you know.

**Ritu Kumar:** Okay, sure. I'll be waiting. Thank you.

**Pranav Relan:** Thank you.

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



**Pranav Relan:**

Thank you for your time and participation. We continue to be optimistic about the opportunities before us and look forward to sharing these with you as we move forward. Should you need any input or clarification, please write to us or our Investor Relationship partner CDR India. Thank you.

**Moderator:**

Thank you. On behalf of NDR Auto Components Limited, that concludes the Conference Call. Thank you for joining us.

**Please note:** *We have edited the language, made minor corrections, without changing much of the content, wherever appropriate, to bring better clarity.*

