STERLING TOOLS LIMITED
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By NEAPS	**By Listing Centre**
National Stock Exchange of India Limited "Exchange Plaza", Bandra–Kurla Complex, Bandra (E) Mumbai-400051	General Manager **BSE Limited** 1st Floor, P. J. Towers Dalal Street Mumbai – 400001
Security Code No.: STERTOOLS	**Security Code No.: 530759**

Date: 21st August 2024

Sub: Transcript of Analyst/ Investor Conference Call

Dear Sir/ Madam,

Pursuant to regulation 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that an earnings conference call for Q1 FY 25 for the analyst and investors to discuss the financial and operational performance of the Company was held on 14th August 2024 at 09:30 a.m.

Following Management Attendees attended on behalf of the Company: -

1. Mr. Atul Aggarwal- Managing Director
2. Mr. Jaideep Wadhwa- Director
3. Mr. Anish Agarwal- Director
4. Mr. Pankaj Gupta- Group CFO

We further confirm that no unpublished price sensitive information was shared/discussed in the meeting / call.

Please find attached herewith the transcript of the aforesaid call. The same is being placed on the website of the Company i.e. www.stlfasteners.com.

This is for your information and records.

Sincerely,

For **Sterling Tools Limited**

ABHISHEK CHAWLA

Digitally signed by ABHISHEK CHAWLA
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“Sterling Tools Limited
Q1 FY '25 Earnings Conference Call”
August 14, 2024

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 14th August 2024 will prevail.”

MANAGEMENT: **MR. ATUL AGGARWAL – MANAGING DIRECTOR**
MR. PANKAJ GUPTA – GROUP CHIEF FINANCIAL OFFICER
MR. JAIDEEP WADHWA – DIRECTOR
MR. ANISH AGARWAL – DIRECTOR

Moderator: Ladies and gentlemen, good day, and welcome to Sterling Tools Limited Q1 FY '25 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involves 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pankaj Gupta, Group CFO. Thank you, and over to you, sir.

Pankaj Gupta: Thank you. Good morning, everyone. On behalf of STL Group, I extend our very warm welcome to our Quarter 1 FY '25 Earnings Call. Today, I'm joined on this call by Mr. Atul Aggarwal, our Managing Director; Mr. Jaideep Wadhwa, Director; Mr. Anish Agarwal, Director; and our Advisors, Investor Relations, SGA Partners. We uploaded our results presentation on the exchanges, and I hope everyone has had a chance to have a look at it.

I will now request Mr. Aggarwal for his opening remarks.

Atul Aggarwal: Good morning, everybody. Thank you, Pankaj. I welcome to you all to our call for Q1 FY '25 results. Let me start with a brief overview of the industry. The industry witnessed uptick in its growth led by double-digit growth in 2-wheeler and 3-wheeler segments, respectively. According to SIAM, the overall wholesale and domestic market went up by 16.4% in Q1 FY '25 to 64 lakh units, up from close to 55 lakh units in the same period last year. Total automobile sales include 10,26,000 units of PV, up 3% from 9,96,000 units in Q1 FY '24.

Furthermore, we anticipate a tactical shift by OEMs from manufacturing pure-play EV to hybrid models roughly going ahead. On the industry front, the demand for automobiles was a bit muted during Q1 at FY '25. The EV 2-wheeler industry continues to gain momentum and the cumulative sales stood at 1,82,000 units in Q1 FY '25. Hybrid EVs are getting more attention from OEs, which aligns well with our EV focus.

Our total income from stand-alone business grew by 9.6% to INR162.9 crores on a year-on-year basis. Revenue growth in Q1 FY '25 versus Q1 FY '24, is primarily driven by good demand in the 2-wheeler business and stable demand in the passenger vehicle segment. The EBITDA has increased by 14.5% year-on-year, coupled with improvement in margins to 14.8% in Q1 FY '25 from 14.1% in Q1 FY '24. PAT surged 21% (wrongly said, kindly read it as 41%) to INR11.4 crores on a year-on-year basis. The company's focus towards achieving higher sales, and it is well positioned to capture the incremental market share going forward.

SGEM continues to gain traction with total income witnessing a growth of 62% on a year-on-year basis. The revenue share of SGEM in the overall business has risen from 33% in Q1 FY '24 to 43% in Q1 FY '25. We are working to add to our EV product portfolios and continue to focus on customer diversification too.

Now I would request our Group CFO, Mr. Pankaj Gupta to give brief insights on the financial performance.

Pankaj Gupta: Thank you, sir. Thank you. I'll now give the financial highlights for the quarter 1 FY '25, starting from the stand-alone numbers for quarter 1 FY '25. The income grew by 9.6% year-over-year to INR162.9 crores against INR148.6 crores in quarter 1 FY '24. EBITDA increased by 14.5% year-over-year to INR24.1 crores as compared to INR21 crores in quarter 1 FY '24. The margins increased from 14.1% to 14.8% in this quarter. Profit after tax, which witnessed a growth of 41%, reaching to INR11.4 crores in this quarter as compared to INR8.1 crores in quarter 1 FY '24. Profit after tax increased by 160 basis points year-over-year to 7% in quarter 1 FY '25 as against 5.4% in quarter 1 FY '24.

Coming to the consolidated financials. The total income grew by 27.3% year-over-year to INR283.7 crores in quarter 1 as against INR223 crores in quarter 1 FY '24. Adjusted EBITDA, which is excluding the ESOP accounting expense treatment increased 34% we achieve to INR37.1 crores as compared to INR27 crores in quarter 1 FY '24. And EBITDA after adjustment of ESOP stood at 13.1% on a consolidated basis. Profit after tax grew 40.9% year-over-year reaching to 18.4% (wrongly said, kindly read it as INR18.4 crores) as compared to INR13.1 crores in quarter 1 FY '24. Profit after tax margin on a consol basis stood at 6.5% in quarter 1 FY '25.

Thank you, everyone. We may now begin with question-and-answer session, please.

Moderator: The first question is from the line of Rohit Mehra from SK Securities.

Rohit Mehra: I have a couple of questions. And my first one is, how should we look at our growth vis-à-vis the industry growth for FY '25?

Atul Aggarwal: So, Atul here, let me take this. I think for our standalone business, we are up close to 10%. We believe having industry grown primarily in 2-wheeler segments, PV is only up 3%, commercial vehicles up so, I mean we are probably a few percentage points plus on the industry growth overall. I think we have done better and this is what our -- we always told in the last few calls that we grow in our standalone business by almost 2 percentage points faster than the industry.

Rohit Mehra: Okay. Got it. And my second question is, out of the overall revenue from SGEM, what is the contribution for the LCV category? And how should we look at the LCV contribution for the entire year?

Jaideep Wadhwa: Good morning. This is Jaideep. The LCV category is still -- I mean, if you look at our presentation, we had mentioned that our non-2-wheeler sales are at 7%. LCV is a part of that. So LCV is still a small percentage of our total revenue. We are not still seeing traction with -- I think the industry is waiting for some kind of announcements from the government on FAME, and so we should move forward.

Our expectation is that -- I mean, I can't say that for the full year basis because we're already 4 months into the year. But by the third and fourth quarters, our expectation and hope is that LCV business should be 10% of our total revenues. But I have to say that this will depend to some part in what announcements the government makes on FAME-III or whatever other policy they come up with.

Rohit Mehra: Yes, got it, sir. So it depends upon whatever the subsidy will come from government, right?

Jaideep Wadhwa: Yes. I mean, I think Rohit, what you'll see is that -- I mean the numbers are available on Vahan or elsewhere while we've got business awards from all of the major LCV companies. The e-business still has not taken off despite our expectations that this will be one of the segments of the industry that will see the highest penetration. So I think we now got the right product.

We always talk about the fact that penetration will happen once we have the right product. I mean we started seeing a growth in 2-wheelers once Ola and Ather came out and gave the consumer products that were worthwhile. I think in the LCV segment, we now have the right products available to the consumer. We just need a little bit of a nudge from the government, and we should see very good penetration in this segment.

Moderator: The next question is from the line of Payal Shah from Billions Securities.

Payal Shah: I have two questions. First, how do we see the overall demand for Fasteners in FY '25?

Atul Aggarwal: Overall demand, like I said, industry seems to be moving on a slope as we're in the first quarter number. We're struggling to move the vehicles. We believe, I think we can talk about our numbers and I think our first quarter is representative of where we see our business to be this year, a couple of percentage points maybe plus on that. So that's where we see our business, keeping in mind the overall total of our industry, and we would still be faster than the industry.

Payal Shah: Okay. So, my next question is on what are the developments with Yongin, like do we have any further details on the partnership front?

Management: Anish, you are there?

Anish Agarwal: This is Anish. I think on the Yongin front, we have a good progress in terms of discussions with customers, business plan creation, etcetera. Hopefully, you should see some developments by the end of this fiscal year.

Moderator: The next question is from the line of Raj Malhotra from JM Financial.

Raj Malhotra: So my first question was what is the revenue contribution from top 5 customers in SGEM and how are we looking to reduce the high customer concentration for this fiscal year?

Jaideep Wadhwa: So we haven't looked at it from the top 5 perspective, but I would say the top 5 would be a very high percentage, well north of 90%. But I've not calculated the number, but definitely about 90%

because the smaller customers haven't taken off yet. This is a core part of our strategy. We're continuing to look at other customers. The -- I mean I think when you look at how the market has evolved, in the 2-wheeler segment, there is a fair amount of concentration of our OEs.

So, if you look at how this has evolved, a lot of smaller players that were active last year have fallen away already. And Ola is number 1, TVS Bajaj, Ather, following that are the bulk of the market share in the 2-wheeler segment.

In the 3-wheeler segment also, we are seeing a fair amount of consolidation with companies like Mahindra, Euler, and others doing fairly well. So our belief is that our concentration will -- we will definitely reduce on one or two customers as we move forward. But if you look at a top 5 or top 5, top 10 type of concentration, that will always remain high because our customers are consolidated.

Raj Malhotra: Okay, got it. That was helpful. I have another question. So are we working with our top customers to manufacture MCUs anything for the new model launches?

Management: Definitely. I mean -- so when we started this business, so our customers were looking at very short launch cycles because everyone wanted to be in the market first. We are -- today, the scenario has changed, and we are working with companies on programs that are 2 out, 2 and 3 years out. So we are talking to customers for models that they will launch in the first half of -- or the first quarter of FY '26 and so on and so for, calendar year '26 and so on. So those advanced engagements, which are typical of the auto industry are ongoing.

Moderator: The next question is from the line of Raj Joshi from Ace Securities.

Raj Joshi: Sir, I've a couple of questions. So how do we see the raw material pricing for FY '25? Do you see softening of the raw material prices? And how much it will lead to the margin accretion on the standalone basis?

Atul Aggarwal: So, I think commodity prices, our steel prices, for product lines have been quite stable right now. The softness is there, but it's not dramatic to improve -- drop in prices and even the margin on prices, the impact in the margin structure is marginal, maybe a mathematical equation is, but otherwise, there's a pass-through to the customer will come through. So like we have a similar pass-through when the prices will go up. I think we have a similar process for when the steel prices drop as well. So, it may not lead to much margin improvement, but except you know unless there is a massive drops somewhere.

Raj Joshi: Okay, sir, with our current export share at 3%, we are looking to increase this percentage further. And do we have any specific role in your mind for FY '26 or '27.

Management: So I think export market is definitely one of our weakness. We are working on some programs. But we don't have any hard visibility on numbers or percentages today. We keep you posted as having margin improvements from that.

Raj Joshi: So coming to our current capacity utilization for the both fastener, MCU business. Where are we standing today?

Atul Aggarwal: Sorry?

Raj Joshi: Capacity utilization.

Atul Aggarwal: Yes. So I think this issue has come up in various investor calls. We have mentioned that Bangalore plant was set up 3 years ago, that's been optimized. And I think there's been balancing capex coming in that facility. We believe once the Bangalore plant is fully balanced, capex is invested on to optimize and balance the facility, we can see revenue by about 20%, 25% over where we are right now for the financial year. So I think there is another headroom to grow 20% on a capacity basis.

Raj Joshi: Okay. And sir, my last question is, any new customer have you added in any of the business verticals?

Atul Aggarwal: I think we have our customer portfolio includes pretty much every OEM customer we have. We have entered business with Hyundai Kia. And I think on a medium-term perspective, this particular customer could give a lot of bump to us in our revenue in the next couple of years because Hyundai Kia market share is quite respective in the passenger vehicles business today.

Jaideep Wadhwa: And I can just add that in the -- in our Sterling Gtake business, we have added customers in the 3-wheeler and LCV space as well as a customer in the entry-level electric scooter space. So these are revenues that we expect to see kick in by the end of this year.

Raj Joshi: Sir, can you please name the name of the customers in 3-wheeler and LCV?

Jaideep Wadhwa: I'd prefer not to do that, please, because we end up getting into problems on our non-compete obligations when we do that.

Atul Aggarwal: NDA obligations.

Jaideep Wadhwa: My mistake. NDA obligations when we say that in a public platform like this.

Moderator: The next question is from the line of Raj Mehta from Mehta Capital.

Raj Mehta: What is the capex started estimated to be spent in financial year '25 and what areas will be the further plan to invest?

Atul Aggarwal: You're talking about standalone or a consolidated basis?

Raj Mehta: Consolidated basis.

Atul Aggarwal: I think we are looking to have these capex plan in all our businesses put together, about INR55 odd crores in that.

Jaideep Wadhwa: And that's nearly -- I mean, I won't say exactly but nearly split equally between the two businesses.

Raj Mehta: Okay. I have one more question. How should we look at these Sterling Tools in 3 to 5 years down the line, what would be the contribution from the new business and what areas we are further looking at?

Atul Aggarwal: You're saying a long frame, I think we believe that the new businesses would probably have 60% to 65% of revenue going forward. Currently, it's at 43% levels, and we expect to grow to about 60% loss level.

Moderator: The next question is from the line of Payal Shah from Billions Securities.

Payal Shah: Yes. Sir, I have a few follow-up questions. First, how do you see our top line growth for this fiscal on a consolidated basis, can we touch INR1,200 crores roughly this year?

Atul Aggarwal: Payal, INR1,200 crores it seems to me an aggressive number. Can you hear me?

Payal Shah: Yes, sir, I can hear you. Yes.

Atul Aggarwal: Yes. I think we are up 28% for the full quarter for the first quarter on a consolidated basis. We believe that it will be difficult to maintain this momentum, we have quarter-on-quarter, on a full year basis. So I would probably look at a more muted number of a lower number from that level. So you can say the numbers will be quite healthy over the last year.

Payal Shah: Okay, sir. Sir, my next question is, can you highlight a couple of growth drivers ahead for Fasteners and EV component business?

Atul Aggarwal: So on the partners, I think what you've been try to say is that we are looking to grow 2-3 percentage points over and top the total automotive industry, which is what we have done in the first quarter. We are not looking at the dramatic growth in that business because you all see many opportunities to grow that business on a volume basis, which you may be expecting. So that would be our view on that fastener business. On our new businesses, yes, we expect to grow on profitable.

Jaideep, do you want to comment on that?

Jaideep Wadhwa: So on our EV business, the two growth drivers will be customer acquisition and new product introductions. We see ourselves as solution providers to the EV industry and hope to add additional product lines. These are ongoing negotiations. These won't add revenue in this year. But for FY '26, we will see revenue coming from additional range products that we will sell to the same customers.

Payal Shah: I have a last question. At a standalone level, our finance cost is on the lower side on a Y-o-Y basis. Sir, I just wanted to understand, like, have we repaid any debt in the quarter? And how should we look at debt levels for the entire year?

Pankaj Gupta: So, I'll take that question. So, we have been quite efficient in terms of our cost of borrowing, which is quite healthy. We have repaid term loans, and we are funding our capex largely from our internal accruals. That is the second reason. And of course, I don't see much change in working capital deployment per se, and we have a -- at net debt position, for the understanding, we are nearly debt-free. So these are the reasons for lower finance costs.

Moderator: The next question is from the line of Jehan from Nirmal Bang.

Jehan: Sir, my question is on the MCU business.

Moderator: I'm sorry to interrupt, sir, could you please use your handset.

Jehan: Yes. Sir, what stops the OEM from -- all the OEMs from going into direct manufacturing of motor control units?

Jaideep Wadhwa: Okay. So, Jehan, this is a question. So the short answer is nothing. The elaborative answer is, it's a very complex issue. When the auto industry started off in the early 1900s, everything was made in-house by all of these companies, right? And over a period of time, this was all pushed out to ancillaries. And then these ancillaries were -- actually, they were -- at a certain stage, they were all owned by the OEM.

So Delphi, Visteon, Magneti Marelli were all owned by these majors. After some time, these companies were sold and became standalone companies. And at least in the internal combustion space, people decided that their job was to make vehicles and not to make components and that was something they don't do at all.

In the EV space, we obviously have two large companies, Tesla and BYD who do manufacture everything in-house. But other than these two, everyone else follows an outsourced model. So what do we expect in -- what can we expect? I mean, at least in my opinion, and I have to say this is only my opinion, that it will always be a hybrid model.

There will be companies that will want to make their components in-house. And there will be companies that will say this is not our job. Our job is to design a great product, make sure that we can get it to the customer and to service the customer. And there will be different philosophies to this.

So they will be -- and so this will always -- I don't think that either, either model will go away. I mean both the models will exist. It depends a lot on the company's technical capabilities. Tesla started off as a tech company, for them to develop products was different. Companies like -- even global majors like Volkswagen and others have struggled to get their EV strategy right, and they've really struggled to get the products going, etcetera.

So I think that for companies that have a grounding in mechanical engineering and automotive engineering to switch and become hardware and software companies will be that much more difficult. If companies launch numerous models every year as some companies do, it will be very difficult to do everything in-house. But if companies have a vision of making products and selling them in very large volumes, they may want to go in-house.

Jehan: And who would be your largest customer and percentage share in total revenues?

Management: Our largest customer has been Ola. Ola has been our largest customer for quite some time. And I believe -- and Ola has more than 50% market share of the 2-wheeler market. I mean if you look at the overall industry, they dominate that. So obviously, there -- as we are a single source supplier to them, we are -- they are a big percentage of our business.

Moderator: The next question is from the line of Chinmay Nema from Prescient Capital.

Chinmay Nema: Firstly, on the MCU business, so when we talk to the other companies in space, some of them talk about the importance of manufacturing controller units and motors both, and the idea is that it gives you better control over fine-tuning, optimization. Any color or thoughts on this claim how important this is and how do OEMs look at this?

Jaideep Wadhwa: So, I mean integrating the motors and controllers and doing the characterization is very important. We've been able to manage this by having very close working relationships with motor companies. And therefore, our customers have never faced a problem where they've not been able to get either the performance or they've had us and the motor suppliers or the motor suppliers and us blaming each other. We've not had a situation where we said it's a motor problem, and the motor guys have said it's the MCU problem because we work very closely.

But yes, there is a very close linkage between the two. And we feel that in the future, the other thing you may have heard is that there will also be an integration between motors and controllers that they will put them into the same, same physical packaging. And that's again something that we explore with motor partners to say, how can we provide such a solution to our customers?

So, it's very important for the customer to find -- have a seamless solution. And we've been able to do that. We've been able to manage that quite effectively with the way we work with our motor companies.

Chinmay Nema: Understood, sir. Second thing is the same on the MCU business. So just trying to understand how nimble with this business in the sense that we see some companies, some 2-wheeler EV manufacturers running into subsidy issues. The market shares and volumes have changed very rapidly in the last few months. So how easy or difficult is it for you to get a new client or let go of an existing one, start manufacturing for a newer one? Just trying to get some sense around.

Jaideep Wadhwa: So, you're absolutely correct. I mean, we've only got a 3-year history. I mean from the date we started production to now, it's not even been 3 years, okay? And the company has been in existence for just over 4 years. And I can't tell you the number of times we've had to change direction as far as product policy or product strategy was concerned. When we started off, the business was all low speed. It was dominated by Okinawa and Hero Electric, and they thought the market was 1.5 kilowatts. Ola came in and took the market to 6 kilowatt. They wanted 100 kmph top speed on a scooter, which was unheard of. And we were able to produce that. Once FAME went to when this happened in May last year with no notice and the government suddenly slashed the subsidies.

All the companies changed their product quality and changed their product positioning and started making lower power rating models and 3 and 4 kilowatt and hub motors became the norm. And we have now we've been able to adapt. So we've been fairly nimble so far. We've been able to keep up with the moves in the market. I hope we'll be able to do that in the future. That's our intent.

Our strategy is that look -- and this will continue to happen. I mean, the industry is still very, very nascent. I mean, government policy plays a big part, technology plays a big part. So the way we look at it is that we need to build the competency in our case, in power electronics. And that's what we are focusing on.

As the industry moves, we'll have to move with it. So I mean, we're not trying to define ourselves as specialists in a product, but more a specialist in a competency or in a technology. So I hope that with what we have done and what we are hoping to do, that we'll be able to continue to move quickly to market requirements because we know for sure the market will change constantly.

Chinmay Nema: Understood, sir. And my last question is on the growth drivers for the EV business, you said that new products would be one of the levers. So from a 3- to 5-year perspective, could you talk about some of the new products that you intend to get into?

Jaideep Wadhwa: As Atul said earlier, 3 to 5 years is a long time out, in the EV industry, it's a lifetime. So look, the -- we want to play in every aspect of the power electronics, power and control electronics in an EV across all segments. Not only like for instance, today, we are not present in PV, passenger vehicles. We would want to play in all segments in anything to do with power electronics and control electronics. That's the vision for the company.

Moderator: The next question is from the line of Raj Joshi from Ace Securities.

Raj Joshi: So thank you for the again opportunity. So I have a few more questions. Sir, have you made any price high in the fastener business during the quarter?

Atul Aggarwal: No, we have not. It's all about volume growth.

Raj Joshi: It is all about the volume growth.

Atul Aggarwal: Yes.

Raj Joshi: Okay. Sir, what are the capacity level of Bangalore plant and the utilization? And by when do we feel this plant will get fully utilized? And will be any further capex needed?

Management: I think Bangalore currently is at about 45%, 50% levels of where it should be. And we are doing a balancing capex there as we speak this financial year, and it's -- Bangalore is fully part fully optimized by FY '27, sorry, FY '26.

Raj Joshi: Okay. And are we putting any further capex over there?

Atul Aggarwal: I guess said, we have some balancing capex going on for this year and next financial year. It is not a dramatic capex but we have some balancing capex is going on quality measures, , but nothing, not a very substantial number.

Raj Joshi: And sir, for our EV business, what is the current trend in terms of localisation, is there any further scope of manufacturing some parts in-house and lower our dependence on imports?

Jaideep Wadhwa: Not right now. I mean I think maybe once the Yongin venture gets off the ground, we'll be able to buy some components from them. But as of now, there is no semiconductor manufacturing or component manufacturing in India that we can leverage.

Raj Joshi: Okay. And sir, what is our EBITDA margin in MCU business? And can we achieve double-digit margins in FY '25?

Jaideep Wadhwa: No. That's -- I think we've spoken about that. We believe that the steady state EBITDA margin for this business will be in the low double digits. But it's not something that we'll be able to get to this year. It's probably something that we will aspire to in FY '26 or maybe even FY '27. We'll definitely see an improvement on last year.

Raj Joshi: Okay. And as the festive season is going to come up. So how do we look at the overall demand scenario?

Management: Sorry. You broke up in the early -- the first part of that question. Could you repeat that, please?

Raj Joshi: Sir, as the festive season is going to come up, so how do you look at overall demand scenario?

Jaideep Wadhwa: Look, a lot depends on what the government does with FAME, I mean, if you're talking about -- if you're talking about EV, I mean, the government's announcement of our FAME III will definitely help. It's the right thing to do. I'll give you a data point. The Chinese government over the last 15 years has spent to our understanding just under $300 billion, $300 billion in various subsidies for the EV industry, okay?

I think you guys know how much was the allocation in FAME I and FAME II. So if we are serious about having -- to actually reduce carbon emissions and move forward on electrification, which is the right thing to do for the environment. I think we need greater consistency and clarity in our policies.

Moderator: As there are no further questions from the participants. I would now like to hand the conference over to the management for their closing comments.

Management: Thank you all of you for joining the call today. I hope we were able to address all the queries you had. For further clarification, you can reach out to us, and it's always a pleasure to connect with you. Thank you very much.

Moderator: On behalf of Sterling Tools Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.