

August 16, 2022

The National Stock Exchange of India Ltd  
Exchange Plaza, C-1, Block G  
Bandra – Kurla Complex  
Mumbai 400051

The Department of Corporate Services  
BSE Limited,  
P.J. Towers, Dalal Street  
Mumbai 400001

Scrip Symbol: SANSERA

Scrip Code: 543358

Dear Sir/ Madam

**Subject: Transcript of Earning group conference call presentation**

Please find attached transcript of Earning group conference call held on August 8, 2022 on Unaudited Financial Results for the quarter ended June 30, 2022.

The above transcript will also be made available on the website of our Company at [www.sansera.in](http://www.sansera.in).

We request you to take the same on your records.

Thanking you,

**for Sansera Engineering Limited**



**Rajesh Kumar Modi**  
**Company Secretary and Compliance Officer**

**SANSERA ENGINEERING LIMITED**

(Formerly Sansera Engineering Pvt Ltd)

Reg Off: No. 143/A, Jigani Link Road, Bangalore-560 105, India, Tel: +91 80-27839081/82/83. Fax: +91 80-27839309

E-mail id: info@sansera.in Website: www.sansera.in CIN: L34103KA1981PLC004542



# “Sansera Engineering Limited Q1 FY23 Earnings Conference Call”

**August 08, 2022**

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 8th August 2022 will prevail



**MANAGEMENT: MR. B R PREETHAM – GROUP CEO, SANSERA  
ENGINEERING LIMITED  
MR. VIKAS GOEL – CFO, SANSERA ENGINEERING  
LIMITED  
MR. PRAVEEN CHAUHAN – COO, SANSERA  
ENGINEERING LIMITED**

**Moderator:** Good morning, Ladies and Gentlemen. Welcome to Sansera Engineering Limited Q1 FY23 Earnings Conference Call. This conference call may contain forward-looking statements about the company which are based on belief, opinion and expectations 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 B R Preetham – Group CEO, Sansera Engineering Limited. Thank you and over to you, Sir.

**B R Preetham:** Thank you. Good morning everyone Welcome and thanks for joining this call. On this call I am joined our CFO – Mr. Vikas Goel and Mr. Praveen Chauhan who has been now elevated to COO. Praveen takes over as our COO henceforth so congratulations Praveen and SGA our Investor Relations Advisors. The Results and the Presentation are uploaded on the stock exchange and the company website I hope everybody had a chance to look at it.

I am delighted to be here today to talk to you about our Q1 FY23 and the progress that we have made since our last Earnings Call. With a 35% year-on-year growth in our top line of Rs. 5,329 million, once again Sansera has reported a healthy set of numbers.

As a precision forged and machined components supplier with comprehensive capabilities, we have created a unique value proposition for our customers. As a result, we have been able to add new customers and our existing customers are expanding their product baskets with us. I am very delighted and proud to share that we have added Tata Motors and Force Motors to our client list and this opens up many opportunities for us to participate in various programs across PVs as well as CVs both in ICE and electric vehicle space.

We have also been honored to be recognized by Toyota Industries for our unrelentless efforts towards delivery and awarded 'Best Target achieved Supplier in Delivery for the Year 2021'. We have been able to repeat these performances consistently getting awards from Toyota as well as other customers.

Let me now give you a quick update on the industry before we talk about our operating performance:

The domestic auto industry has been doing better thanks to rising demand, consumer confidence in rural areas easing semiconductor supply issues and declining commodity prices. In general, commodity prices are easing though alloy steel which is applicable to our products continues to increase till Q1 FY23 while expected to reduce marginally in Q2 FY23 and on a overall year basis we expect that further reductions should happen.

As per the data published by SIAM during the period of April to June 2022, auto sales soared across the board. Recent auto sales figures reported by auto OEMs continue to show an upturn and it is anticipated that this trend will continue in the second quarter as we approach the festive season. In fact, our key customers have indicated a positive growth for this year. Exports are expected to be weak in the sense that we do not expect any big jump in our export numbers compared to the last year. This is primarily result of the war, the commodity price increase, energy cost increases still continued semiconductor challenges and also rising fear of inflation as well as recession. So, we expect that our export performance could be flat this year.

Coming to our performance:

We registered a year-on-year growth of 35% to achieve total revenues of 5,329 million with an EBITDA margin of (+14%). Our CFO – Vikas will talk about this in detail a bit later.

Our auto segments which caters to global and domestic OEMs across two wheelers, passenger vehicles and commercial space contributed to around 89% of our sales in Q1 FY23. Slowly and steadily our product portfolio is shifting towards our long-term vision which we have set forth. In Q1 FY23, 89% of auto segments revenues included a 9% contribution from auto tech agnostic and xEV products was vis-a-vis 4% in Q1 FY22 and 6% in FY22.

In terms of current auto segment sales mix – motor cycles contributed to 36% of our top line the segment has benefitted on account of additional customers and higher share of business for Sansera. Scooters accounted for 14% of our top line with positive trend of increasing share of business of scooters in overall two-wheeler markets especially the EV scooter.

Passenger vehicles accounted for 27% of the top line, commercial vehicle accounted for 11% of our top line we expect our CV segment to benefit from CV upcycle as well as addition of new customers.

Within the non-automotive segment, we manufacture for the aerospace off road, agriculture and other segment including engineering and capital goods. This segment contributed to 11% of the sales in the quarter in our current sales mix. Aerospace and agriculture accounted for 3% of the topline, off-road accounted for 4% of the top line and remaining 1% of the top line came from other segments. We expect to close about 30% to 40% growth in revenues in aerospace sector this year.

In terms of our progress in electrification, our xEV portfolio of components is aligned to benefit from the growth in this industry. New business wins from xEVs have been on the rise and as on July end we have had orders from 10 customers across multiple components.

In addition to this, we have recently received order confirmations for xEV components from two two-wheeler manufactures namely Ultraviolet and Hero Motors. This is in addition to the existing customers we have already added. We have also received the first nomination letter for a marquee North American based EV manufacturers of passenger vehicle for whom we were

already developing a component for their truck segment, but now received nomination for the passenger vehicle segment.

On the CAPEX front – our new aerospace and defense facilities is expected to get ready by the end of second quarter and mass production of this facility is expected to start from FY24 because we need to go through a lot of validation and certification process in the last two quarters of this financial year.

Coming to our order pipe line:

As indicated or as published on SEBI as well as on our website we took a hit on account of withdrawal of contracts on a leading North American OEM. This contract was worth 3,000 plus crore which was awarded to us in the month of April and entailed development, manufacturing and supply of connecting rod which was due to start from July 2025. Based on recent business, review of the business plan our customer decided to drop the entire project consequent to which the contract awarded to us by aforesaid OEMs stands withdrawn. Since this contract was slated to start in July 2025, we have not made any investments either in resources or in money towards this project and a loss of this project has no impact on our growth plan including for our plans of the US facility which we would go ahead and make it.

As on July 31st, 2022, our order book with annual peak revenues stood at Rs. 11.1 billion with auto ICE contributing to 5.3 billion, 48% of tech agnostics adding to 3.4 billion and 31% of non-auto accounting to 2.4 billion. This order book also echoes our evolving product mix and customer base and is line with our long-term visions. Going forward our growth will come on both auto and non-auto side. Indian auto ancillary producers are well positioned and appreciated for their work in the area of component development, consistent quality and clear cut price advantages. Besides, China plus one strategy has also been helpful in acquiring more and more business.

Now as the vehicle cycle is getting into a newer set of engines, newer platforms that are going to come up in the next couple of years a lot of OEMs are increasing their reliance on outsourcing. Sansera is well equipped to capture these growth opportunities with long history of operational excellence. Also, we see strong growth opportunities in new technologies, new materials and we are committed to grow in these areas while mitigating business risk. We expect that technology agnostic and non-auto components to grow by around 50% in FY23. With new facility coming on stream aerospace and defense would be a major contributor to this as well. I am confident that investments we have been making on aerospace and defense side will help us tremendously as this long-anticipated industry recovery arrives. We expect the revenue contribution of technology agnostic and non-auto component segment should be around 22% in FY23 up from 17% in FY22. This segment is estimated to grow at a CAGR of 50% to reach 40% of the total revenues in the next three years to come.

With this, now I will now handover the presentation to our CFO – Vikas Goel for the consolidated financial highlights.

**Vikas Goel:** Thank you Preetham. Talking about the Q1 performance for financial year 2023 as we mentioned earlier the revenue stood at 5,329 million as against 3,951 million in the same quarter previous year which is a 35% growth year-on-year. I would like to highlight that this growth is largely on account of revival in the domestic market. We have also witnessed higher volumes, better sales mix in this quarter alongside marginal price increases from some of the customers. On a sequential basis, we saw some improvement in the gross margins primarily due to passing on of the commodity price increases to one of the key export customer during this quarter. EBITDA stood at 922 million as against 645 million for Q1 FY22.

With a better capacity utilization, the company's EBITDA margin improved from 16.3% in Q1 FY22 to 17.3% in the Q1 of FY23. Owing to higher debt levels the finance cost for the quarter increased to Rs. 137 million as compared to 116 million in the corresponding quarter in FY22 though on a sequential basis this is still improved from 147 million in Q4 of last year to 136 million this quarter. Profit after tax from 348 million in Q1 FY23 as against Rs. 189 million in Q1 FY22 which is a growth of 84% on a year-on-year basis.

In terms of geographical sales mix for Q1 FY23 stands as follows India contributed 71%, sales to customers in Europe about 17% and USA 9%, other foreign countries contributed to 3% of our total revenues. Exports have been muted in this quarter and we expect this trend to continue in the near term owing to the reasons explained by Preetham during his address.

I would like to take a brief moment now to talk about the various cost optimization initiatives that we are working on. In terms of packaging materials optimization, a lot of renewable packaging is being adopted now to reduce our dependence on the onetime packaging sources or to reduce the impact on the environment as well as to keep the cost in control. We are also looking at consolidating logistics from our various Bangalore based plant. We intend to secure about 80% of our energy requirements at our Bangalore facilities by renewable energy sources during the balance of FY23. These initiatives will not only help us in controlling cost, but also are more sustainable and environment friendly.

With this, we come to the end of our presentation for Q1 and we open the floor for question and answer. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin with our question-and-answer session. The first question is from the line of Basudeb Banerjee from ICICI Securities. Please go ahead.

**Basudeb Banerjee:** Few questions one if I look at sequentially two-wheeler market has growth almost by high single digit whereas your sequential revenues is down 8% if you can explain sir?

**B R Preetham:** As I said that sequentially two-wheeler revenues the question was that two wheeler revenue has grown, but your overall revenue is down sequentially is that the question?

**Basudeb Banerjee:** Yes.

**B R Preetham:** Totally see two wheeler revenue compared to QoQ is I think it is flat it is not really grown, but then see this is helped by definitely there is a better numbers that have come in the domestic market for us and the order wins that we have had from the last year where I had spoken about China plus policy where we had secured some business from one of our plans have now started maturing into full volumes and also product mix change with couple of our customers into the new engine has actually increased our share of business with them. So, all these things have actually resulted in the better two-wheeler growth for us.

**Basudeb Banerjee:** I was just trying to understand what segment was the main spoil sport in taking the sequential revenue down and how one should look at it ahead?

**B R Preetham:** Added to that, approximately about 17 crores worth of finished goods we could not actually dispatch it which was ready and cleared by our export customer due to a logistic disagreement or they had with the logistics provider who could not pick it up so that also would have actually otherwise added to our revenue the material was ready in fact we had to reverse it because the logistic provider did not pick up it was there designated logistic provider now that issue has been resolved and as explained in my calls the exports continue to be weak and we do not expect though we are expecting only about a percent or flat growth in the exports from India, but our Sweden facility would see a degrowth this specific year owing to in the last call also I had said that there is a share of business change between us and other suppliers due to their de-risking the business model wherever we are 100% they have reduced it to 70% given it to 30% to the other supplier similarly wherever on the platform. So, that transition is going to have an effect on this year from next year onwards the business would be on track and plus the slowdown in the Europe. So, with this overall exports is drag on us for this year and for this quarter as well, but we expect the domestic mix and our new product like the hybrid components the production has started, we expect that couple of more EV two wheeler manufacturer mass production which we are developing and develop would start into the third and fourth quarter. So, all these things we will definitely we will see a positive growth.

**Basudeb Banerjee:** So, broadly the 20% revenue growth outlook from overall revenue compounding perspective and this weakness in exports, do you see any changes to that perspective from this year?

**B R Preetham:** I do not want to say whether we will do 20% or 18% or 15%, but definitely we will have a double digit growth and we are quite confident that all our new order wins as well as our increased shared of business will make up for the exports slowdown this year, but if the exports starts doing better towards the Q3 and Q4 we should really be talking about those high double digit growth.

**Basudeb Banerjee:** Second thing sir in the initial part you have commented alloy steel prices still elevated and you are expecting that to come down from Q2 onwards, but if I see your gross margins which has improved almost 230 bps sequentially so bulk of the EBITDA margin improvement is led by gross margins, so how to interpret that?

**Vikas Goel:** As I mentioned that we got some price increases from some of the customers and also from one of the major export customers, we were able to secure a price increase though it was not part of the standard contract, but we were able to get that price increase was our correction in the gross margins for this quarter and since sequentially if you see the volumes have slightly come down so that is a give and take impact between the gross margin and the overall cost structure. So, we were still able to improve our overall EBITDA margin by about 0.1% from Q4 to Q1.

**B R Preetham:** Basu added to that as I said that our new order wins and the last, we have been increasing our share of business into the new engines and these also come with a better margins. So, as these volumes start maturing this will also show a better margin growth on to the balance sheet.

**Moderator:** Thank you. The next question is from the line of Nitin Arora from Axis Mutual Fund. Please go ahead.

**Nitin Arora:** Preetham you talked about the new order wins one of the client you mentioned is Tata Motors if you can throw some light what kind of an order is this, how scalable is this order and also one of the client you mentioned about an EV player largest EV player what kind of a product traction we are seeing from him, how you look at that scale in the next one or two year from him that would be helpful that is my first question?

**B R Preetham:** Tata Motors and Force Motors while we have been having a lot of interaction with both these customers, we were able to secure this business very recently and to be very initially we need to also demonstrate and this is for their passenger vehicle segment and this is to begin with is for the connecting rods and we will be supplying close to about 600,000 connecting rods once the production mass production starts and this would go up with the time depending on our performance. We are also delighted that we are engaging with them on to various other products as well. So, the journey has just begun with them and we are quite hopeful of that and similarly with Force Motors now we have had initial first order we are developing the components and this is also very close to about 100,000 Con-rods to begin with for their programs and slowly we are expected to take a major share of business in their volume as well. As far as the orders that I mentioned about the nomination that we have received for the new component for the most marquee name in the EV vehicle industry from North America, we have already had an order from them for their Semi range of vehicles, but this is for the passenger vehicle segment and we expect that we have been working with them, we have engaged with them from last two, three years as I have been explaining at every new client it takes a bit of time to get especially with COVID times that we could not travel and the thing, but now we have been able to get this order. We also expect that there could be some more of them coming our way. We are engaged with them with many more projects on various levels of both technical and commercial aspects and in our opinion that we should be able to hear some more good news from them in the coming days as and when we get those information we would with their consent we would disclose them.

**Nitin Arora:** Just on the client cancellation one of the order?



**B R Preetham:** These are part of very complex forged and machine components, part of seating assembly and door assembly as what we are now doing, but there are other components which again are part of drive train, chassis and suspension with which we are working on.

**Nitin Arora:** So, in both the domestic client and in the overseas client it is a replacement of the existing vendors where the orders are coming from to you?

**B R Preetham:** I think it is because of their growth that customer is seeing they are adding I think additional vendors to cater to the growth.

**Nitin Arora:** The second question is the order which got cancelled by one of the players globally, any feedback from them in terms of whether there was a change in program itself or they are coming with some upgradation in that program that is why it was cancelled anything from their side?

**B R Preetham:** It is a very initial information that we have received because of the compulsory mandate that we had to disclose it we had to immediately disclose that. We are engaged with them to get more information, but as we understand owing to the current situation this program has been cancelled, overall program has been cancelled as this was also new technology engine. We are yet to hear from them what would replace this because we are also quite curious. We are engaged with them in different programs. In fact, there is another project which is mass production starting from October this year which goes to the European region specifically. So, we are engaged with them on various other projects. So, we are yet to hear whether this would take in any other shape will it come back or in any other volume this project will come back we are yet to hear these are very initial. As and when I have the more information I would definitely share them, but just to be in the interest of others also they would know that this is a very while order sometimes the projects get cancelled from customers it is not very new, but this was quite early in the phase of development, but one thing that they made sure that since people who are getting ready for investments I think there was an early announcement from their side to make sure that the people dont ahead and do thing. While this is not very usual, but it is not uncommon also that the customers for various reasons can cancel a project.

**Nitin Arora:** Just lastly on you highlighted that the exports because I think Bajaj Auto would be relatively bigger for you when we look at their exports, their exports was down or rather was not increasing on an average in the last two, three months, given these exports remained at that level only and you have reached to a revenue of 530 crore which you did in Q2 FY22 with a 19.8% margins, directionally from here if commodity starts cooling off which we are seeing a trend do you think going back to those margins with increase in revenue and I am just taking that domestic might increase exports might remain there, you think margin should start ploughing back towards that 18%, 19% with increase in top line if directionally you can help us with exports remaining stagnant because I think in opening commentary itself you said that you are assuming that no new growth the growth should come from the new platform even in exports so if that you can help us understand?

**B R Preetham:** Nitin while I said that percentage growth may not be there, but we would still grow on the overall revenue because our domestic growth will also be there so percentage might be fully flat and yes you are right that once the commodity starts cooling down and the new product mix are going into the future we are quite hopeful with the better utilization on the two wheeler capacities that we have had we should start looking at margins improvement from the current level. So, we are quite hopeful that those numbers would start becoming better.

**Moderator:** Thank you. The next question is from the line of Sidharth Bera from Nomura. Please go ahead.

**Siddhartha Bera:** Sir my first question again is on this new component order for the PV segment from the North American OEM, any idea about when does this sort of orders get into an order book from the current stage and revenues start coming in and just if you can highlight some of these components what will be the value per component which we are looking at both current and potentially?

**B R Preetham:** As I said that some of them for their existing models and some of the work that we are doing for the new upcoming upgrades, but one nomination that we have received is for a component which is for the current model. So, I expect that once the validation is through in the year FY24 that is in the calendar year 23 itself the mass production should start and there are few others which are in the line which are for the existing models. So, we expect that our mass production for this customer for the passenger vehicle components should happen in FY24 towards the first or second quarter of FY24.

**Siddhartha Bera:** And the value sir if you can highlight both for these components and the ones you are working on?

**B R Preetham:** I would not be able to do that because of the contractual obligations that we have, but I am pretty sure that the value proposition is good and we expect that they will be one among the top 10 customers for us in the couple of years time.

**Siddhartha Bera:** Sir just one clarification also when in a PPT you have shown that we have received orders from 10 EV customers of which I see that in the PV one name has got added, so will it be this customer only or somebody else you are indicating here?

**B R Preetham:** Yes this customer.

**Siddhartha Bera:** And second question is on this EV product for the two-wheeler segment again I think these names may not be reflecting in the list because the number of customers remain the same, so here also what will be the products we are working on and when do you expect these production to start?

**B R Preetham:** I give it to Praveen can you answer this on Ultraviolet, Ather and Hero business that it may not have been added. So, two of the customers like Ultraviolet and Hero MotoCorp has not been added into this because this was post July that the nomination letters came. In fact, Praveen

would add more into what kind of components that we have received and kit value that we have been working on with these, but again with respect to Ather and Ultraviolet I think we will get into the production quite soon because these are already products, these are not for any new models these are for current existing models and upgrade of their design. So, Praveen you can take over.

**Praveen Chauhan:** So Siddhartha the journey so far in the EV segment has been very exciting and as we have been talking about that as it is in one of the biggest two-wheeler supplier we have exceeded the auto ICE biggest customer our kit value in a scooter and in these customers like Ather and Ultraviolet also we are either reaching close to the numbers of auto ICE or exceeding those numbers. So, the journey has been quite good and as we have been talking about that journey has just begin and the content could be much more we are seeing those contents being added regularly.

**Siddhartha Bera:** Sir last question is on the US plans, so I think you highlighted that this order not coming through or US plans have not changed so any other big client you think can potentially also coming here because it was quite a sizable order and you were banking on a couple of them for the US plans, so some clarity here?

**B R Preetham:** As I said that this order of North American client was definitely an icing on the cake and it would have really means that capacity that we were planning to put in US was quite big. So, because this was entirely being manufactured - was supposed to be being manufactured in the US while the blanks were manufactured by somebody else we had to machine the blanks because this was out of the **sintered** route, but this would not alter any program whether we are going to start a facility in US it will definitely be there, the scale may be slightly lower because of now any new order wins that we have had we could do it partially in India, partially at our comfort and convenience as to what we want to do here. Just to add that we keep getting different orders while this is on the normal course of business I would like to add that recently we have been nominated for one more program of US based client close to about 1.8 million Con-rods per annum and this was the connecting rod which we have been working on from the last two years where we have participated in the designs, our samples have been tested at various stages of production and this program is going to start from calendar year 23 - FY24 towards the second half of the calendar year and quite a big order. This would also over the time we would look at while we will start the production from India as their capacities ramp up we will try and add some capacities in our US plans also for this. So, added to this there are other customers with whom we are actively engaged both in automotive as well as non-automotive space like the off-road customer that we have like one of the biggest large stationary engine or engine manufactures that are based out of US. So, these are definitely a very positive we expect some orders to start flowing from them for that program as a global program. So, our US plans stands we are committed to that of course the size and nature has definitely going to undergo changes as and when we keep getting the orders.

**Moderator:** Thank you. The next question is from the line of Jyoti Singh from Arihant Capital. Please go ahead.

**Jyoti Singh:** My question is on the exports front as we are seeing weaknesses on the export front and we also have major chunk from the export side, so going forward how much growth guidance we are expecting and also on the Europe side as we are seeing issue on the energy prices that got 5x, so how we are dealing on that front?

**B R Preetham:** Exports as I said madam this year we will not have any growth in fact we will have a flat zero to probably a 1% or 2% growth depending on the next two quarters of the region's performance. While there are programs new programs that are started in both in US and in Europe for us that is actually going to offset whatever is the degrowth that market will have. So, that is why we are maintaining a flat position on revenue compared to the last year on exports. Of course, as I said that exports from India could be slightly better than the last year, but our production out of Swedish plant will be lower than the last year so that would actually get nullified. So, in Europe our manufacturing facility definitely there is challenges related to energy cost as everybody is facing, but we have made plans to mitigate that our management is very aware of this in Sweden and they have been taking all the necessary steps to make sure that we get energy at the best possible prices, but very limited actions that we could take in terms of what we can do there. There is only better planning in terms of usage of the facilities at the peak hours we could probably avoid those things do not use it during the weekend. So, those things are being done other than that we do not have much of a control on the energy cost while saying that in India we are progressing quite fast. In fact all our Karnataka facilities at the end of this year for the current capacities that we have put up we will be about for the current demand almost between 85% and 90% of our power will come from our long term contracts from the renewables. We are also studying other opportunities for our Maharashtra and for our Haryana facilities to go furthermore increase on this thing. So, overall Sansera is committed to work on the green energy. So, this is the roadmap that we have.

**Jyoti Singh:** Sir my second question on the margin front so how will margin get impacted with change in sales mix towards domestic?

**Vikas Goel:** If we look at margins it is a function of three variables. One is the volume, second is the mix and third is the commodity prices. So, these are all as we have seen and I believe that this will continue to happen. All the three have been changing in one direction or the other. So while we expect a positive operating leverage because of the volumes growth in our domestic markets and that should help. On the commodities front we now expect this should stabilize and that should also help and we are also seeing a better product mix in the domestic as well as exports which is actually helping us improve our margins or helping us register better margins going forward. So, we believe that the three of these factors will actually help us to maintain or consolidate our margins at the current levels can slightly improve. We are not expecting any negative movement on our margins. Even though our exports are not going to register significant growth.

**B R Preetham:** Overall we expect that it will be 17 plus percent whether we will end up at 17.5, 18 or 18.5 largely depends on the next two quarters of our performance, but we will be definitely 17 plus percent.

**Moderator:** Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to the management for their closing comments.

**B R Preetham:** Thank you everyone for joining us today on this earning call. We appreciate your interest in Sansera while the industry is going through a lot of challenges so is Sansera, but we are constantly working on adapting to these changes and catering to all our customers changing needs, changing mix and we are very hopeful that with the current order book and the positioning that we have we will register a positive growth double digit growth and maintain a 17% EBITDA and with this we conclude this call today and if you have any further queries please contact SGA our Investment Relation Advisors or us directly we could clarify them. Thank you very much.

**Moderator:** Thank you. Ladies and gentlemen on behalf of Sansera Engineering Limited that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.