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March 3, 2017

To,
The Department of Corporate Services,
BSE Limited, Mumbai

To,
The Listing Compliance Dept.
National Stock Exchange of India Ltd, Mumbai

BSE Script Code: 531795
NSE Script Symbol: ATULAUTO

Dear Sir,

Sub: Transcript of Investor Conference Call held on February 6, 2017

We are attaching herewith the transcript of Investors Conference Call held on Monday, February 6, 2017 to discuss Q3 FY 2016-17 results of Atul Auto Limited.

Please take the same on your records.

Thanking you.

Yours faithfully,
For, ATUL AUTO LIMITED,


(Paras J Viratngama)
Company Secretary & Compliance Officer



ATUL AUTO LIMITED

(Corporate Identification Number: L54100GJ1986PLC016999)

Regd. Office & Factory: National Highway 8-B, Near Microwave Tower, Shapar (Veraval), Rajkot – 360024 (Gujarat)

Phone: 02827 666000 Fax: 02827 666029 Website: www.atulauto.co.in E-Mail: info@atulauto.co.in

ATUL AUTO LIMITED
Transcript – Investor Conference Call – 06.02.2017

Moderator: Ladies and gentlemen good day and welcome to the Atul Auto Limited 3Q FY17 Earnings Conference Call hosted by Nirmal Bang Equities Private 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 the conference call, please signal an operator by pressing ‘*’ and then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Gaurant Dadwal from Nirmal Bang Equities. Thank you and over to you sir.

Gaurant Dadwal: Thank you Raymond, good morning everyone. On behalf of Nirmal Bang Equities, I welcome you all to the third quarter earnings conference call of Atul Auto Limited. The management is represented by Mr. Jitendra V. Adhia – President, Finance of Atul Auto Limited. Now I want to request Mr. Adhia to start with opening remarks and then we can take the Q & A session. Over to you Sir.

Jitendra V. Adhia: Thank you Gaurant, good morning ladies and gentlemen, I would like to extend a very warm welcome to all of you at this conference call. I do have pleasure in appraising you about our performance and financial results for quarter 3.

As we do generally, I would like you to take through the industry first and subsequently we will appraise you about performance and thereafter I will answer your queries. All of you are aware that post demonetization, all the commodities across the sections have come to standstill situation and now it is expected to revive. As it was an unprecedented event, was not at all possible to avoid the negative impact. We did our best to survive it and the result is; in the domestic market, we fall with a drop in domestic industry whereas in export sales we have registered positive growth against the fall in overall volume in the industry. Well, while the recent budget was more focused on structural changes and long term vision, at Atul Auto we are likely to be benefited once it is materialized at ground level, that is, once Government will initiate spending in rural sectors as well as in infra, we would like to welcome such initiatives. However, there are no immediate boosters with which we can give clear indication about its impact on our business.

Now let us move to industry:

Friends till December the overall industry has registered a positive growth of 6.77%, domestic market did well and grew by 9.42% whereas the exports has de-grown by 7.37%. As explained earlier, demonetization has impacted economy at large and so is the case with the Auto Industry. Q3 of Auto Industry was not remained so exciting, the volume growth has remained negative by 3.33% which is completely because of drop in domestic market. Export market has remained flat for the quarter. As far as 3-wheeler industry is concerned, till December it is declined by 14.80% overall, in domestic market it has attained almost flat growth rate which is 1.88% whereas in export market various negative factors including FOREX issue in majority

of the African countries have continued which has resulted that the exports have declined by 35% almost, compared to previous year till December. Quarter-on-quarter decline is 20%. To ascertain the impact on Atul Auto, let me appraise you about Q3 performance of the industry. It has registered the negative growth of 20% overall whereas drop at Atul Auto has remained 12% only. In the domestic market, our volume has dropped by 18.90% which is in line with drop in industry which is 18.30%. Well in overseas market, say the drop of industry is 22% where Atul Auto achieved a better volume, it is 7x of last year same quarter.

Now we will switch to results of Atul Auto Limited:

This quarter we have sold 11,043 vehicles and achieved turnover of Rs. 133.76 crores against 11,761 vehicles and turnover of Rs. 142.70 crores in previous quarter. The fall is of 6% in volumes. Domestic sales for the quarter has remained 10,116 vehicles as against 11,253 vehicles and exports sales have increased to 927 vehicles against 508 vehicles in previous quarter. Out of 11,043 vehicles, 6069 were passenger and remaining was a load carrier.

In cargo segment – the market share has remained 18% whereas in passenger segment it has remained 6%. This quarter we were expecting to cover previous shortfall and for the month of October we could create a new benchmark by selling 5037 vehicles which is highest ever in any single month but due to demonetization, we could not continue that momentum in November and December. We expect that going forward in quarter 1 of next fiscal, we will be able to get that momentum back. You will appreciate that this quarter compared to previous year same period; the decline of industry has remained 19.54% whereas Atul Auto's decline has remained 12.42%.

Now let us move to our financial performance:

Friends let me apprise you few highlights of the results only since the detail result is already available on the site. The net profit has remained 9.19% as against 9.68% in previous quarter and 10.56% in same period previous year. EBITDA margin has remained 15%, EPS for the quarter has remained Rs. 5.60 which is down by 0.69 paisa compared to quarter 2. Raw material consumption has slightly gone up as at that by 41 basis points on account of hike in commodity prices. We have continued our debt-free status, receivables has reduced compared to previous quarter. The comparison of domestic and export sales is also improving and expected to improve further.

Now I would like to open this floor for interaction. Thank you.

Moderator:

Thank you very much. We will now begin the question and answer session. We have the first question from the line of Nikunj Doshi from Bay Capital. Please go ahead.

Nikunj Doshi:

Just wanted to know, January also we have witnessed the trend continuing on the negative side, so what is the feel you are getting now from the market, so all inventory corrections and everything is over or you are still seeing some kind of pain in the system yet?

Jitendra V. Adhia: See if you look at the ground reality, my primary numbers are less than retail. Retail is yet to improve, and then you know, anything it is psychological unless there are positive sentiments into the market and dealers and customers come for work. I suppose that this impact will continue for next couple of months.

Nikunj Doshi: And any clue on or idea you can give on price hike that we may take or any chance of taking price hike?

Jitendra V. Adhia: Sir as of now, I do not think any of manufacturers can think of increasing or hiking price.

Nikunj Doshi: And any progress you can give on Electric vehicles?

Jitendra V. Adhia: Yes the vehicle which has been offered for Market Clinic to the marketing department is performing good and as per our expectation. We expect that launch may happen in Q1 of next fiscal Mr. Doshi.

Moderator: Thank you. The next question is from the line of Ashitosh Tiwari from Equirus Securities. Please go ahead.

Ashitosh Tiwari: Any clarity on how much increase will happen in cost in terms of, when BS4 becomes effective by April '17?

Jitendra V. Adhia: Thus the raw material cost may go up somewhere between 5% and 7% Mr. Tiwari.

Ashitosh Tiwari: And that definitely industry should be able to pass on because everyone will see the same pain.

Jitendra V. Adhia: Yes Sir, mostly it should happen like that however, from Atul Auto's point of view definitely I am not a price leader.

Ashitosh Tiwari: And secondly, I mean is the impact more on diesel 3-wheeler than CNG because you are now selling CNG - petrol vehicles also?

Jitendra V. Adhia: Can you please explain your question, elaborate your question please?

Ashitosh Tiwari: I am saying that Atul Auto sells diesel as well as CNG - petrol vehicles, is the impact more on diesel as compared to what impact you have seen in the CNG portfolio?

Jitendra V. Adhia: See it is really difficult to answer this particular question Mr. Tiwari. Since this alternative fuel is a newly launched product, so it is in its introduction phase.

Ashitosh Tiwari: And you also were to launch e-Rickshaw in the current quarter, how is your plan over there?

Jitendra V. Adhia: We may postpone it till next fiscal and likely to launch this product in Q1 of next financial year.

Ashitosh Tiwari: And is this delay because of demonetization impact?

Jitendra V. Adhia: Yes, you can say so.

Ashitosh Tiwari: And Sir lastly, how is the dealer stock levels; is that on higher side as compared to normal?

Jitendra V. Adhia: It has come down; if I compare it with H1 of the current fiscal it has definitely come down. The Retail has gone really up.

Ashitosh Tiwari: On the margins; because we have not taken any price increase and raw material prices are going up like steel has seen very sharp increase, so will gross margin, should decline in the fourth quarter, right?

Jitendra V. Adhia: Let us see, we are putting up our best to just, you know have neutral impact of commodity price hike but EBITDA for Q3 has already dropped by 1% compared to Q2.

Ashitosh Tiwari: No EBITDA is of that drive, I am talking about gross margins that will vary with the volumes when gross margins ...

Moderator: Thank you. The next question is from the line of Viraj Kacharia from Securities Investment Managers. Please go ahead.

Viraj Kacharia: I just want to get some sense on the export market; how we are progressing with respect of our plans there? If you can just provide an update of how we are progressing with the market development in some other markets which we entered in last one year?

Jitendra V. Adhia: See as I have already explained and as you can ascertain from my figures, my export sense have increased and the product is getting good positive response from all the market wherever it has been introduced. As of now, we are focusing definitely on The African market which is a major destination for 3-wheelers other than India and another promising destination is Latin America.

Viraj Kacharia: Okay, so right now we focus first primarily on African markets and then probably at a later stage we will be looking at Latin America.

Jitendra V. Adhia: Yes.

Viraj Kacharia: And what were your sales on a nine months' basis, for exports?

Jitendra V. Adhia: Exports numbers for nine months, I do not have readily available, I can share it with you Mr. Viraj, we have already crossed last year's figures in first nine months.

Viraj Kacharia: And how much we did in last year?

Jitendra V. Adhia: 1500 vehicles.

Viraj Kacharia: And how is your demand environment in those markets because we will be at a very initial period of feeding those things, so what are the typical challenges we are facing in those?

Jitendra V. Adhia: As of now, in Africa we are facing the challenge of having USC from the buyer. The African buyers are unable to get the FOREX and that is the main hiccup in developing the business. Latin American countries, yes we are in the first phase of introduction, so all kind of ground level marketing activities are going good.

Viraj Kacharia: Just had couple of questions on the Electric vehicle product which you are planning to launch. So you know it is primarily focused on the 3-wheeler side, is that understanding right?

Jitendra V. Adhia: Right.

Viraj Kacharia: And what is the typical market size of that product category in India at the moment?

Jitendra V. Adhia: See there are no authenticated statistics available however, it is as for marketing intelligence, it is 150, 000 a year at 10, 500 per month.

Viraj Kacharia: And where would bulk of the market be catered by; I mean mostly the Chinese players or there are other Indian players who are catering to it?

Jitendra V. Adhia: These are assemblers, no organized players, you know is still there. It is mostly assembled and maybe few of the components they may be importing from China as well.

Viraj Kacharia: And for us, how do we try to differentiate and then market because what we understand, the after sales service, infrastructure and the overall charging which is needed, you know is one of the critical component to drive a product's scalability, so just thoughts on how you are looking to differentiate and how you are addressing this concern?

Jitendra V. Adhia: First of all, our products have been approved by authorized certifying agency, so there will be a surety about the quality of the product that is one. It is meeting with the norms which have been led down by the government; that is point number 1. Point number 2; it will be distributed through authorized dealers. After-market service availability will be there. We will be definitely offering warranty over critical components, so that is another USP which we can create and finally, in this particular trade instead of the retail is being done through retail finance. So we will be having a tie-up with retail finance company for availability of finance as well.

Viraj Kacharia: But are there typical some margins what we on or the industry on and cargo or gasoline. are the margins similar in this product category?

Jitendra V. Adhia: Mostly yes however, this is purely dependent on the final price which we are going to offer into the market. As of now, if you ask philosophically, yes. It is in line with regular product.

Moderator: Thank you. The next question is from the line of Ankit Jain from Mirae Asset. Please go ahead.

Ankit Jain: Couple of things; one like at this point does our BS4 complying product is ready?

Jitendra V. Adhia: Yes, it is ready. The vehicles are under certification and we will be able to get certificates by end February.

Ankit Jain: Another thing like I mean as now the thing is clear that from 1st April there will be no registration of vehicles which are like BS3 compliant, so do you see any sort of a channel de-stocking in next couple of months and also you mentioned earlier that channel in inventory is slightly low and there is going to be cost increase of 5% to 7%, so do you see wholesale numbers being slightly better in next couple of months?

Jitendra V. Adhia: I do not think so because of various factors but let me correct one thing that it is not that from 1st April they will not register BS3 vehicles, the mandate is that from 1st April the manufactures will manufacture BS4 compliant vehicles. So the inventory which will be lying in the dealer's place is likely to get registered. In the previous sit over the RTO's were used to take the inventory of dealers and the dealers once their inventory is wiped out, then they will start buying BS4 or the next level compliance vehicle.

Ankit Jain: Maybe for certain other categories I mean my understanding is that that there will be no registration at all from 1st April.

Jitendra V. Adhia: No, that is practically not possible because dealers across the country for all the brands must be having more than one month of inventory and it is really difficult for all the manufacturers to channelize this kind of volume in a day or in 10 days' time to the dealer.

Ankit Jain: In this quarter, we have still managed pretty well gross margins on a Q-o-Q basis, I mean hardly 30 bips sort of a decline, so from Q3 and now like what kind of a cost increase per vehicle we are seeing?

Jitendra V. Adhia: See, as of now for the current product range, I do not expect except the commodity price hike any negative impact on the margin. Let us see, January was really a moderate month for commodity price hike; let us see how it turns into this month and next month.

Ankit Jain: But do you see given the current market situation, I mean the price hike possibility is there at this point?

Jitendra V. Adhia: Commodity price hike?

Ankit Jain: Yes, just to mitigate that commodity cost impact.

Jitendra V. Adhia: That is likely to happen.

Moderator: Thank you. The next question is from the line of Pawan Kumar from Unifi Capital. Please go ahead.

Pawan Kumar: My first question is regarding in the next two months, whatever are left in this particular year. So are we expecting negative volume numbers in next two months because you did not sound too optimistic?

Jitendra V. Adhia: No, I am more than optimistic Mr. Pawan. I never intend to attain negative growth. Now at the same time, let us understand practical situation; unless there is a revival of demand at a ground level, there is no point of increasing the inventory at dealer's side. So let us hope for good positive sentiments into the market and we hope so that in this month, it is likely to improve because overall cash liquidity situation is improving across the nation.

Pawan Kumar: But will you be able to at least make some say marginal growth at least in these two months or it is very unlikely?

Jitendra V. Adhia: Would not like to just reply negatively, we are putting up our best but situation as you are well aware is still liquid into the market.

Pawan Kumar: But in rural areas what is the kind of stress Sir; for stress level as compared to last two months, has it significantly come down?

Jitendra V. Adhia: Absolutely yes.

Pawan Kumar: And Sir regarding the earlier participant's question, just in continuation with that. Since this raw material prices have gone up significantly, steel prices have almost hiked around 25%, so are not you expecting any kind of gross margin impact?

Jitendra V. Adhia: As I said, in the month of January it was moderate, let us see how it turns into month of February and March, number 1. As far as Q3 is concerned, my result is already there, there was a hike in raw material conjunction, you can see it so but fortunately January was moderate but cannot say anything about February and March but it is likely to attain upwards revision. There are no chances that it will have any downward revision.

Pawan Kumar: Can you just throw some light on where our Petrol and CNG vehicles are already launched and which States will we be launching next year, coming BS4?

Jitendra V. Adhia: Till now we have launched this product in Gujarat, Punjab, Haryana and Rajasthan and after introduction of BS4 from 1st April 2017, by end of next year we will introduce this product across the network.

Pawan Kumar: Across the network in the sense which other States could it they, would it be Sir?

Jitendra V. Adhia: All the States of India.

Moderator: Thank you. The next question is from the line of Abhisheik Jain from HDFC Securities. Please go ahead.

Abhisheik Jain: Sir recently Bajaj Auto entered in cargo segment and captured a 10% kind of the market share in cargo segments, so how much entry of Bajaj Auto is affecting the sales of Atul Auto?

Jitendra V. Adhia: At this point in time, it will be difficult to distinguish that it is because of demonetization or is it because of entry of Bajaj Auto. Having said this, let me tell you Mr. Jain, Bajaj is always a very strong competitor for any manufacturer, one. Two; success of any product if you really want to analyze in this particular segment; we need to complete one full cycle, right? Because once the end user buys the product and if he is able to repay the loan, then this is the only parameter with which you can measure the success of the product.

Abhisheik Jain: Sir during this quarter the company has seen a significant pickup in export market and sold around 927 vehicles, so will it be continued in the fourth quarter and what is your guidance for FY18 export numbers?

Jitendra V. Adhia: I expect so that we will be able to continue this momentum because the product wherever it has been introduced is getting positive response, that is point number 1. About prediction for FY18, it is a bit early because we would like to understand how the African economy turns because recently we have come to know that crude oil prices are going up and if it is going to ease out a situation of FOREX there in Africa, you may get some great volume from Atul Auto Limited as well.

Abhisheik Jain: So what was the reason for the significant growth in the third quarter despite the challenging situation on export market?

Jitendra V. Adhia: Sir the market outside India for 3-wheeler is somewhere close to 4, 00, 000 to 4, 50, 000 vehicles annually apart from Chinese volume which they are selling in this market. So selling 927 vehicles although it is not a very great thing but from Atul Auto's point of view in the introduction phase, I am always excited to share it with you.

Moderator: Thank you. The next question is from the line of Ronak Sarda from Axis Capital. Please go ahead.

Ronak Sarda: Actually I do not know if I have missed this as you normally touch upon this in your opening remarks. Is the decline in the 3-wheeler industry similar across petrol and diesel variants or in terms of passenger because we get the passenger and cargo data but if you can just highlight, how is it for the ...?

Jitendra V. Adhia: Would you mind if I share complete statistics with you Mr. Sarda because this forum if I am going to apprise it we will be wasting the time?

Ronak Sarda: Sure Sir, so I will call you separately; I will take it off line. Thank you.

Moderator: Thank you. The next question is from the line of Mayur Milak from Anand Rathi. Please go ahead.

Mayur Milak: Hi Sir just a couple of questions; one you have said that the electric vehicle is expected to be launched in Q1, so just trying to understand you think will it lead to any sort of cannibalization with your own models?

Jitendra V. Adhia: I do not think so because it has got no competition with regular 3-wheelers. The market place for both type of vehicles are different. This will be used for a feeder route and for a smaller distance whereas the regular 3-wheeler can go for a longer distance and that is altogether a different market place.

Mayur Milak: And just trying to understand what would be your current breakup between let us say; petrol, diesel, CNG vehicles broadly as a percentage?

Jitendra V. Adhia: It is mostly diesel because still we are, even in the domestic market with this alternative fuel 3-wheeler we are into a seeding phase. So the large volume is being contributed by diesel 3-wheeler only.

Mayur Milak: And how do you expect this mix to change over the next two years maybe, so when more and more of these alternate fuels start coming in, for you would have set some kind of target, you know that this is the kind of mix that you would want to have?

Jitendra V. Adhia: It is in line with the industry itself. As of now, the industry is divided if you take a split between Diesel and alternating fuel 3-wheeler it is almost 60-40. So definitely in a medium-term, it is likely to fall in that bracket only.

Moderator: Thank you. The next question is from the line of Mr. Prayesh Jain from IIFL wealth. Please go ahead.

Prayesh Jain: Already checked on the urban market as to how is the scenario there, whether the taxi aggregators are actually impacting demand and how is the permit outlook in terms of next few months or something like that?

Jitendra V. Adhia: Sir let me tell you this capping with the permit of taxis limited up to a few cities or few states only, for alternating fuel 3-wheeler permits are freely available, that is number one. Now post-demonetization yes there was a downfall in demand, right. Once the sentiments improve I expect that demands are likely to be reviewing in both section that's rural as well as in urban.

Prayesh Jain: Okay. Sir coming to your export markets how have been retail vis-à-vis whole sales for us and has they been on the similar track or currently we are in seeding phases in many markets so the whole sales are higher than the retails?

Jitendra V. Adhia: No sir, in fact from few of buyers we have repeat orders, that clearly signs that the previous loads unless they are retail they will not order for the new loan.

Prayesh Jain: Okay. Sir as a last question, sir now we are attaining certain size in exports, we are reaching a decent size in terms of volumes now. So do we have visibility in terms of margin whether because the competition always says that export margins are much better than the domestic margins, so can we see similar trends for Atul Auto as well?

Jitendra V. Adhia: Yes, we can definitely assume that. It will better compare to domestic margin.

Prayesh Jain: So that can provide some support in terms of margins going ahead?

Jitendra V. Adhia: Absolutely yes sir.

Moderator: The next question is from the line of Aditya Iyer from Centrum Broking. Please go ahead.

Aditya Iyer: My first question would be on the BS-4 norms, is the current inventory held by the dealers, BS-4 compliant and if not will they be able to liquidate that in the next two months?

Jitendra V. Adhia: Generally, you know the inventory they keep in somewhere between 1 to 2 months that is one. now let me tell you sir the change of norms are applicable to manufactures first. So, 1st April, 2017 onwards our entire manufacturing will be complying with the BS-4 norms, however the dealers who are having BS-3 vehicles in their stock, they can sale it up to a certain limit, generally they have to give the detail inventory list to the respective RTO's and till they are able to clear their inventory, they can go and register their vehicle under BS-3 norms.

Aditya Iyer: And sir my second question was in tramp up in the petrol CNG variant, what is your outlook on the same in terms of volume growth for this segment?

Jitendra V. Adhia: As I said the last year when we have introduced the product it was introduced in a very limited pocket, fine and since this shift was expected that is from BS-3 to BS-4 we have not introduced this product across the network. Once BS-4 norms are applicable from 1st April 2017, we will start introducing this product across the network, so fine. In a medium term, it is likely to be aligned with the market practice and industry practice only.

Aditya Iyer: Okay. And sir where I was coming from that TVS has been trying to get foothold in the segment quite a while and it has not managed to do so. What makes you so confident that Atul will be able to make it in the segment?

Jitendra V. Adhia: Although it will be little exaggerated but as far as 3-wheelers industry is concerned, we are older than TVS. Right.

Moderator: Thank you. The next question is from the line of Mumuksh Mandlesha from Quant Capital. Please go ahead.

Mumuksh Mandlesha: What would be the current dealer network in India? And the number of distributors in the expose market as of now?

Jitendra V. Adhia: I have 200 primary and 120 secondary dealers in the domestic markets and as far as the overseas market is concerned as of now we have 10 distributors.

Mumuksh Mandlesha: One more question demonetization, sir any stress on financing side because of demonetization, especially for private lenders and NBFCs?

Jitendra V. Adhia: Definitely in the first two months till the liquidity situation was not up to the mark their collection has dropped to the level of somewhere between 30 and 50%, right? So obviously, it will have its own impact on fresh disbursement as well. Now the things are getting streamlined, and expected to be on the normal track by end of this month or by next month.

Moderator: Thank you. The next question is from the line of Abhisheik Shah from Valcore Capital. Please go ahead.

Abhisheik Shah: Sir just a very quick question, sir we make our own petrol engine, right? As far as I am not wrong, so just trying to understand, what is the technological difference between petrol and diesel? Do we intent to get into making our own diesel engine as well and the future may be on the structural basis?

Jitendra V. Adhia: No sir as of now we do not have any plan to get into manufacturing of diesel engine as well. And for petrol engine since there were no dedicated vendor available into Indian industry we had to just going for our own engine. Right, about the capability to manufacture of diesel engine 'yes', we do have that capability to develop and manufacture diesel engine as well.

Abhisheik Shah: Okay, but we definitely don't have any plan at least in the foreseeable future?

Jitendra V. Adhia: Yes that is sure that we do not have any plan to manufacture a diesel engine.

Abhisheik Shah: Okay and any other alternative fuels?

Jitendra V. Adhia: Petrol we are manufacturing for alternative fuel purpose, the base is petrol engine sir.

Moderator: Thank you very much due to time constraints we will be able to take one last question. The last question is from the line of Jinish Joshi from Asit C Mehta Financial Services Ltd. Please go ahead.

Jinish Joshi: We are planning the pan India launch for alternative fuel engine by the end of FY18, so are we confident that we shall get approvals from all the state in the desired time?

Jitendra V. Adhia: Yes Sir.

Jinish Joshi: The reason I am asking is that because in the last two to three quarters we have been able to expand our self in only four states, so what gives us the confidence that in the next 12 to 18 months we shall be able to get approvals from all the states.

Jitendra V. Adhia: Sir now let me explain what has happened that by the time we were ready with the product it was very clear to all the manufactures that from 1st April 2017, we are required to meet with BS-4 norms. So it was not making for any commercial purpose or objective for us to go across the network and get the approval from all the state transport authorities. Generally, the practice is that once the vehicle has been approved by ARAI we are supposed to go to State Transport Authority and apart from all the certifications which has been produced over there along with the vehicle, they will check the vehicle by laws of the state, where we are quite confident that since the product approved by ARAI, we will have no issues to get it approved by any State Transport Authority.

Jinish Joshi: Okay sir. And typically, how long does it take to get an approval from any state?

Jitendra V. Adhia: Sir there are no prescribed time limits for that, sometimes it is being done in 15 days sometimes it takes 3 months as well.

Jinish Joshi: Okay. Sir, one last question can you share the annual demand of the export geographies that we are catering to right now?

Jitendra V. Adhia: If I have to tell you Africa as a whole continent, it is around 1.75 lakh unit per annum and Latin American Countries, which are you know comparatively new geographies has got the market demand of somewhere between 50,000 and 60,000 per annum.

Moderator: Thank you very much, that was the last question ladies and gentlemen. I would now like to hand conference back to Mr. Gaurant Dadwal from Nirmal Bang Equities for closing comments.

Gaurant Dadwal: Yes. Thank you. On behalf of Nirmal Bang Equities, I want to thanks everyone for joining is the call and special thanks to Mr. Adhia for giving us the opportunity to host the call. Have a good day everyone.

Jitendra V. Adhia: Thank you all.

Moderator: Thank you very much. On behalf of Nirmal Bang Equities that concludes this conference. Thank you for joining us ladies and gentlemen. You may now disconnect your lines.