

**RICO AUTO INDUSTRIES LIMITED**

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Sub : **Transcript of Conference Call held on 12th February, 2019**


Dear Sir/Madam,

Please find enclosed herewith the transcript of Conference Call held on 12th February, 2019 with the Investors.

This is for your information and record.

Thanking you,

Yours faithfully,
for **Rico Auto Industries Limited**


B.M. Jhamb
Company Secretary
FCS : 2446

Encl : As above



**“Rico Auto Industries Limited
Q3 FY2019 Earnings Conference Call”**

February 12, 2019



S-ANCIAL



ANALYST : MR. SANIDHYA JAIN - S-ANCIAL TECHNOLOGIES PRIVATE LIMITED

MANAGEMENT TEAM OF RICO : MR. ARVIND KAPUR - CHAIRMAN, CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

AUTO INDUSTRIES LIMITED : MR. O.P. AGGARWAL - CHIEF FINANCIAL ADVISOR

MR. SURENDRA SINGH - CHIEF OPERATING OFFICER

MR. RAKESH KUMAR SHARMA - CHIEF FINANCIAL OFFICER

MR. B. M. JHAMB - COMPANY SECRETARY



Moderator: Good day ladies and gentlemen and welcome to Rico Auto Industries Limited Q3 FY2019 Earnings Call hosted by S-Ancial Technologies Private Limited. As a reminder, all participant lines are in listen-only mode and there will be an opportunity for you to ask questions later during the conference. Should you need assistance during the call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this call is being recorded. I now hand the conference over to Mr. Sanidhya Jain. Thank you and over to you, Sir!

Sanidhya Jain: Good afternoon everybody. I am Sanidhya Jain from S-Ancial Technologies welcoming you all to Rico Auto Industries Limited Q3 earnings call. From the management team, we have Mr. Arvind Kapur – Chairman, CEO and Managing Director, Mr. O P Aggarwal - Financial Advisor, Mr. Rakesh Sharma – CFO, Mr. Surendra Singh –COO and Mr. B. M. Jhamb - Company Secretary. May I now request Mr. Kapur to take us through the initial remarks, subsequent to which we will open the floor for Q&A session. Over to you Sir!

Arvind Kapur: Good evening. My name is Arvind Kapur. Welcome to today's Q3 results conference call. To start with the highlights of the industry, I think we are all aware that Q3 has been slow as far as the industry is concerned. The growth has been less and Q4 also we are expecting that the growth would be there, but there would be limited growth. It is not what we had expected at the beginning of the year because the first two quarters went very well and it was the subsequent quarter, where there were some issues. Now with the elections around the corner, how the things will shapeup we are not very sure, but having said that your company's turnover has gone up compared to last year's Q3 and Rico as you know make auto components both aluminum and iron components.

We do the casting as well as machining and along with that we also support the customer by making dies and also very special machine tools, which are required for higher volume. Industry as such we expected to do better in the Q3 and the Q4, but unfortunately because of the funding arrangement and also for the new insurance policy, which came up, there has been a slight slowdown. Our expectation was much better. In fact, our preparation with capacities was also for higher volumes and Rico, we make aluminum and iron components fully machined and assembled and we supply to almost all the OEMs and we engage with the customer right from the beginning, right from the contract stage when the components are being designed. So there is a total interaction on the design front as well as the manufacturability front and we do offer a lot of suggestions based on our own engineering skills and R&D and our experience and do share with the customers, so that we have better and more economical components ready for delivery to the customer.

We are in the two-wheeler space, the motorcycle and scooter space, we are also in commercial vehicles and passenger vehicles and also the auto supply to the off road vehicle market and we have 14 plants in all. We are setting up another plant at Halol, which should be in production by the month of May. In the last meeting, we had mentioned about our first facility that is Dharuhera facility where we had offered VRS to many of our workers and that action is over. We have been able to reduce the work force by total strength of about 170 people and now we have restarted the

process of expanding our business there. The capacity was available and we have reintroduced the components back in the old plant and we will give you an update in the next quarter and in any case I think our attempt is to next year possibly be on the positive side, we should be profitable in Dharuhera facility as well.

This year the total capex that we had envisaged and what the Board had cleared was Rs.200 Crores, but looking at the show down we have postponed a lot the capex and I think we will be close to Rs.145 Crores to Rs.150 Crores total capex that would spent and by the end of this Q4 and our focus is on high-pressure diecast machine of high tonnage size and this is primarily because not too many people are in it and the value additions and the margins are definitely better on the high tonnage machines. During the Board Meeting, it was also decided that we give interim dividend of 40% and we had given 40% dividend even last year as interim and during the Board Meeting, we also added special on Magna, our joint venture partner, where we make oil pumps and water pumps. Globally, they have sold the company to one Korean company, which is Hanon, the pump division and Rico Magna was the only joint venture they had in the world and we had the option of buying the stakeout of selling to them and the price they have offered us, we found it attractive. So the Board decided that we should pickup the total stake of Magna Rico and so after the deal is signed and Rico and its subsidiaries would be 100% owners of Magna Rico, which would then become Rico Power and Hydraulics Limited after obtaining the necessary approval.

The Halol plant I have mentioned initially we are spending about Rs.1.1 Crores and we should start the production. There is a sensitive component, which we could transfer to our Sanand plant and they had to be closer to Hero facility. These are the braking systems and the new braking systems that we have introduced and so we decided to put it at the Halol plant and the production should start somewhere in the first week of May. On Magna Rico front again, the total turnover of the company is about Rs.90 Crores in FY2018 and the profits were Rs.6 Crores last year and this year for nine months their turnover has been Rs.67 Crores and the profit so far is Rs.4.3 Crores. Our major customer in the two wheeler industry are Hero, which constituted almost 34% to 35% of our total turnover and the next is BMW and GKN combined, they vary between 15% to 16% and then Renault, which is also about 13% now, earlier it was 15% and Maruti is close to 7%. These are the top four, five customers and we are expanding also further with Hero primarily because of the new legislation, which has come up on safety. So the new combined braking systems, CBS, we would be supplying to Hero and we are already in production and expanding the capacity further at the Halol to meet their requirements.

Rico Jinfei, the slight delay in the expansion of the capacity. We in another 15 days to one-month time, the installed capacity would be close to 3 million, which would by June we should be touching about 4 million. There was a slight delay in the approval by Hero for the wheels that we are supposed to supply to them, which should be done by middle of March and I think by end of March we should start supplies to Hero and that would help us to utilize that capacity fully. In the defense side, like I had mentioned last time we have filled up tenders, which are fairly large tenders, those are global tenders and we are participating in that and the process is very slow. The government decision making that we expect that in another two months' or three months' time

they should start calling for the samples to come in for trial purposes and I think the tenders would open somewhere by middle of next year that is what the feeling that we get when we meet the ministry of defense. We are focusing a lot on research and development and also improving our skills in the engineering side. Our spend is approximately 1% to 1.5% year-on-year and our primary focus is on the clutches and the CVTs and the combined braking system. CVTs are for scooters. These are the clutches for the scooters for the automatic scooters.

We have all the test machineries, which are required and our samples are under testing and you will also see the results of the R&D, which has happened last year and also this year, which will translate into sales and sales to Hero as well as we are also approaching the other customers to buy our clutches. In the aftermarket in the first nine months we have achieved Rs.16 Crores, our target for this year was Rs.25 Crores and we are hoping to achieve it. Our dealer network has now increased to almost 60, I would say globally in the region that includes India, Nepal, Bangladesh and Sri Lanka and we are further expanding this and our target for the next year is Rs.100 Crores and we are working on that. We have setup a separate cell, which deals in automation. The automation that includes low-cost automation as well as robotics and this is primarily to supply consistently consistent quality goods to the customers number 1, number 2 also cost effective and number 3 is the productivity improvement also takes when we start using robots and we have installed close to I think 40 robots this year and next year again our target is for 60 robots.

We have a separate section, which is handling this. This is helping us to improve productivity of our equipment and of course, the challenge is also to train new manpower in electronics and also to handle the automatic loading, unloading systems and gauging systems that we are coming up with. For the turnover, our increased total revenue from last year quarter to this year Q3, it is up by 10%, we touched Rs.339 Crores. Having said that, if I compare it to the Q2, then there has been a decreased of about almost Rs.25 Crores, which we had expected, but that is partly because of we have started consignment sales to Germany that has also had some impact, but primarily because of the slight slowdown that actually took place. We had anticipated higher sales from the previous quarter, but if you look at the Q3 last year, our sales are up by 10% and if you look at for the nine-month period, our sales are up by 18% and the exports are by 22% for the nine months period and the domestic sales are by 18%.

Our share of the domestic and exports, domestic is 70% of the business and export is approximately 30% and our target is to achieve a target of 40% in the next couple of years exports and we would further go up 50% because the market is much larger overseas than the domestic market, but we are fortunate that we are expanding the domestic market as well. We have added new customers, we have mentioned the Kia motors, Punch Powertrain, and a couple of other we have also added and besides that we also have won new businesses from the current customers that we have. That is it, I am open to any questions.

Moderator:

Thank you very much, Sir. We will now begin the question and answer session. We have our first question from the line of Chandra Govind from Ashmore. Please go ahead.

- Rashi Talwar Bhatia:** Sir, this me Rashi. Just a quick question that you know we have now three segments that we are looking at the domestic OEM, domestic aftermarket and export and I understand that the domestic OEMs are unexpected slowdown in the Q3, did we see anything slower on the aftermarket side as well and I am just trying to judge that now we have these three different divisions pretty much contributing to sales, how does that pan out going ahead Q4 and next year?
- Arvind Kapur:** See the aftermarket, our business were very low, last year we touched about Rs.10 Crores, this year we are getting closer to Rs.25 Crores and next year our target is Rs.100 Crores and the segment that we are in primarily clutches, which wear out and you cannot use a motorcycle in case the clutches are not replaced after 15000 to 20000 km. Since we are expanding our dealerships and distributorship, we have not felt that, but I am sure there would be this aftermarket normally picks up whenever the OEM sale goes down.
- Chandra Govind:** Yes, they are offsetting kind of...?
- Arvind Kapur:** It is actually offsets, but having said that if you look at our growth with the current customers that we have, Hero grew by 5%, we grew by 15% with Hero and similar with Maruti we grew much faster than whatever they grew and in the export front also we have grown with our current customers that is BMW, GKN and the other customers we have, so actually we have grown all over, but the results could have been much better in case the slowdown was not there. Our capacities are in place in any case.
- Chandra Govind:** Sir, where did we see the pressure on margins as well because on sequential basis margins have also come up quite sharply?
- Arvind Kapur:** We have invested almost Rs.150 Crores for new businesses and in some case what has happened is that the businesses, which were to takeoff Q3 onwards they got postpone by three to six months, like PSA they delayed the projects, Kia is still okay, but slower than we have expected and Renault, they were to launch new products, but they also got delayed. So these delays have actually pushed up everything and the investment that we have already done, the investment that we had to make we could postpone about Rs.50 Crores only, but we were required to make them primarily because of the delivery of the component that we required was almost eight to nine months, that was the delivery period, so we ordered equipment whereas most of the component has already arrived and the production has not started.
- Chandra Govind:** Got it. Thank you so much.
- Moderator:** Thank you. We have the next question from the line of Bharat Gianani from Sharekhan. Please go ahead.
- Bharat Gianani:** Thank you for the opportunity, Sir. Two questions from my side, one is that given the slowdown that you highlighted that the industry is facing. So have you seen any change in the order book in the last one or two months, because I guess the last update that you gave was about Rs.4800 Crores of order book as of December 2018, so has that order book changed?

- Arvind Kapur:** No, the order book that we have has not changed at all, in fact that is Rs.2400 Crores, but what has happened is that some postponements are taking place like from this quarter is going to next quarter that sort of thing that is happening. Most of the orders when they are confirmed, we get an advance for making their dies and the tooling, so that portion is over. We have already received the advances and now we are hoping that there are no further delays by the OEM in postponing their launches.
- Bharat Gianani:** Sir, what is the order book that you mentioned I missed the number actually?
- Arvind Kapur:** Rs.2400 Crores, as of which month I actually closed during this year, total is 4800 Crores of what we received last year and what we picked up this year.
- Bharat Gianani:** Sir, this includes last year's order book, so that Rs.4800 Crores number is not changed, right?
- Arvind Kapur:** No, the number has not changed because most of the orders are confirmed orders with advances that we received for the dies and tooling.
- Bharat Gianani:** Sir, in the earlier comment you mentioned that Hero grew by 5% Q3 and your business has grown by about 15%, right?
- Arvind Kapur:** Yes.
- Bharat Gianani:** So, Hero I mean given whatever new orders that you have, what is Hero's share of business. Do you expect it to further go down over the next one or two years and if that is the case then what is the share of business that should stabilize it?
- Arvind Kapur:** These large companies like Hero and Maruti they normally have two to three sources of supply for similar component, so what we are doing is that Hero grew by 5%, but even though their scooter sales came down, but overall they grew by 5% and what we have started doing, started to focusing on the share of business that we can pick up from Hero, so we have managed to improve that number one. Number two is, I mentioned about this combined braking system, the CBS, which is as per the new regulations needs to be implemented and we have got a major share over that business as well.
- Bharat Gianani:** Sir, just one clarification Rs.2300 to Rs.2400 Crores is the orders that you received in this financial year, right till FY2019, right?
- Arvind Kapur:** Yes.
- Bharat Gianani:** Thank you Sir, and all the best.
- Moderator:** Thank you. We have our next question from the line of Mukesh Modi from Modi Fincap. Please go ahead.

- Mukesh Modi:** Good evening Sir. This is Modi. Firstly congratulations for your takeover of Magna Powertrain. A couple of questions Sir, this Magna Powertrain, have what kind of scalability potential we can foresee in two, three years down the line?
- Arvind Kapur:** See, Magna Rico, at Rico we used to make oil pumps even before we joined hands with Magna Rico and since the technology was changing, our customers like Maruti and Tata they had requested us to tie-up with Magna Rico for the higher technology that we are talking of. So in that we upgraded the technology for both oil pumps as well as water pumps and to the strength that we have built up in-house capability of developing the pumps locally rather than build to print, normally the customers give us drawings and we make components out of that, but in Magna Rico, we have built up the capability of getting only the specifications that is required for the component and we get the specs from the customers and we design the component around it. So we have that ability, so oil pumps and whatever we were making Rico earlier, but in future we have bidding for those components primarily because Magna Rico the JV was there. Now that we are very aggressively bidding for oil pumps as well as water pumps for Maruti and for the other customers as well and the order book in hand for the next four and a half years, it is Rs.120 Crores a year that is already there with them and with the good reasonable profit margin, but now since Magna is not there, our sales would be very aggressive and bidding for Maruti components because Magna could get only one pump from Maruti, but there are lot of other pumps, which are in the pipeline and we are sure that we should be competitive there.
- Mukesh Modi:** Sir, secondly this Halol, I mean total what is the capex we have planned, we have invested Rs.1.5 Crores till now, but what will be the total capex?
- Arvind Kapur:** We will go as per the components and we will like to keep primarily the assembly plants there close to the customer and the feeding would be done from our Gurgaon facility and the other facilities, all the aluminum die cast and other components, but if the customers are insisting then of course we may have to expand our die casting facility also there, but at the moment it is not economical to have the die , which will be best primarily because the climate is not enough to utilize the total capacity. We are working on it. We will talk with the customer and in case they offer us more components we might expand into Sanand itself and/or in Halol as per requirement.
- Mukesh Modi:** So, as of now it will be only assembling facility like a small facility?
- Arvind Kapur:** Yes, at the moment it is an assembly facility and as more orders come in, once we put our foot in there I am sure we will get in more components. We are discussing with the customer also for other aluminum diecast components and if the volume is large, we will certainly like to expand the capacity there.
- Mukesh Modi:** Sir, Dharuhera our VRS is now complete or still there is something pending to come for the ?
- Arvind Kapur:** Nothing is pending, it is absolutely complete now.
- Mukesh Modi:** It is all done now?

- Arvind Kapur:** And the case has been withdrawn by the unions, the total settlement has taken place and we have started putting in more components there because the capacity was available there and we are putting more and more components, we have already started the first set of components and I think every quarter we will be adding more and more components and we will update every one on this every quarter.
- Mukesh Modi:** Next one, the other income this quarter has increased substantially, Which is the main thing, which has contributed to this increase?
- Arvind Kapur:** There were two things, one is from Magna and one is from our subsidiary Rico investment that is the dividend that we got from there and one is also the foreign exchange fluctuations at the advantage we got and says that we did to our customers overseas.
- Mukesh Modi:** Sir, what will be that amount, the foreign exchange fluctuation we got?
- Arvind Kapur:** Rs.2.6 Crores is the foreign exchange fluctuation.
- Mukesh Modi:** Rs.2.6 Crores for this quarter?
- Arvind Kapur:** Yes and Rs.3.8 Crores is the dividend.
- Mukesh Modi:** Sir, lastly this Rico Jinfei as you said it has been delayed by couple of weeks, so will it affect our guidance for this whole year because that was the main contributor for guidance for this year?
- Arvind Kapur:** To some extent it will, but not drastic because we have actually gained a little on the other side and so I think by and large we will be short off for the Rs.1500 Crores that we had estimated, but we are at least striving to be best and our guidance for the next year also does not change. We have done a budgeting and in fact the discussion took place only about 10 days back and we are very confident that we will be touching Rs.2000 Crores. Number two, I think one must remember because of legislation there is a change of the technology. We have noticed this in Germany. We have noticed this in the whole of Europe as well and also in America. So there is a pre-buying that takes place, next year March 2020, the Bharat stage VI model start coming. Now they will get introduced somewhere by the end of the year, but some of the models in motorcycles as well car will get introduced even before that and the customer will start seeing price differential that is going to be there, and now the price differential is going to be quite substantial. Although the price essential there will be pre-mind so we expect that in the next year the Q2, Q3, and Q4, there would be surge of sales. Of course in the Q1 of 2020 that could get impacted, but that is Q1 which gets impacted, otherwise I think the rest of the year would be good.
- Mukesh Modi:** Good to hear and that is it from me. Thank you very much and all the best, Sir.
- Moderator:** Thank you. We have the next question from the line of Rupen Masalia from R&A Associates. Please go ahead.

- Rupen Masalia:** Thanks for the opportunity. I have a couple of questions, first on the margin front, margin at EBITDA level, currently we are earning around 12% to 12.5% kind of margin, now with more and more focus on automation increasing the share of proportion of export and aftermarket of course which is minuscule as of now, but then next year you are planning around 5% of total revenue from aftermarket, so in the light of that can you elaborate on the expected EBITDA margin next year and beyond, see over the next three to four years and specifically for FY2020 that is question number one?
- Arvind Kapur:** We have already given. We have mentioned that in the previous conference call that our attempt is to increase EBITDA margin by 0.75% year-on-year. We would like to exceed that. This year we would have exceeded that but we should be around that. That is what we see year-on-year and we should be crossing 15% soon, so 75 to 100 basis points that is what we are estimating.
- Rupen Masalia:** Second question is on capital efficiency in the form of return on capital employed, currently it is around 11.5% to 12%. So over the next three years with improvement in EBITDA margin and economies of scale probably beyond FY2020 – FY2021 the capex intensity may not be that big so where do you see ROC settling in the next couple of years?
- Arvind Kapur:** We did mention last time also that in the next three to four years we should be in the region of about 17% to 18%.
- Rupen Masalia:** And last question is on effective tax rate, if I look at Q3 number and tax has gone up slightly on a higher side whereas I think in last call you guided for 25% ETR, so what would be the effective tax rate for FY2019 and FY2020?
- Arvind Kapur:** Our effective tax rate normally comes between 26% and 27%, so it will remain like that at least for next two years after that there may be some change. The year we have more R&D expense where we buy some equipments for R&D that year we come down to 24 or 25, but it will be average of two to three years, they will be actually in the region of 26% to 27%.
- Rupen Masalia:** That is it from my side. Thanks.
- Moderator:** Thank you. We have the next question from the line of Rakesh Jain from Asit C Mehta. Please go ahead.
- Rakesh Jain:** Thank you for the opportunity. Sir, my question is regarding the CBS, could you quantify what is the total order value for Hero, which we are going to supply?
- Arvind Kapur:** I am sorry, can you repeat your question again please, little louder.
- Rakesh Jain:** Yes, what is the total quantum of supply for Hero's Halol plant in CBS?
- Arvind Kapur:** In the first phase, it about Rs.82 Crores to Rs.83 Crores and then subsequently after that once we are there will be able to refine it more.

Rakesh Jain: So, from when do we plan to start this?

Arvind Kapur: We are targeting May 1, 2019.

Rakesh Jain: So, what would be the monthly run rate, which you would begin with?

Arvind Kapur: It takes about three months to ramp up till we keep on supporting our unit there from Gurgaon and I think May, June, July and August onwards we should be full blast.

Rakesh Jain: So, currently are you the only supplier or like how much business have we got for CBS from Hero?

Arvind Kapur: CBS, we have 50% business and our target is to go up to 65%.

Rakesh Jain: And besides Hero, are there any talks with any other OEMs you have for CBS?

Arvind Kapur: No, at the moment we have not spoke to the others, but we will be talking to all of them.

Rakesh Jain: So, what is the outlook right now for you CBS, how do you want to grow this and what is the scale you are looking at in two to three years?

Arvind Kapur: We want to be a major player as far as CBS is concerned and we would also like to graduate into the ABS, which is subsequently and we are working on this.

Rakesh Jain: So, ABS would you be planning to do it in the next year or any expected time line?

Arvind Kapur: I think it will be take us about a year and a half to two years, it is almost one-year cycle to get the whole thing approved also because it being a safety component.

Rakesh Jain: Could you share what is the price difference between the CBS and ABS?

Arvind Kapur: At the moment, I do not know whether I would be able to...

Rakesh Jain: Like even in percentage terms if you could just?

Arvind Kapur: I am sorry, I am not in a position to tell you that, if I would have known, I would have definitely shared it, but at the moment I do not think I will able to share.

Rakesh Jain: Okay. Thank you so much and all the best.

Moderator: Thank you. We have the next question from the line of Suhani Joshi from Edelweiss. Please go ahead.

Suhani Joshi: Good afternoon Sir. I wanted to know what was the incremental order booking in Q3?

- Arvind Kapur:** In Q3 we have added about I think 50 to 70 that what has been added, I do not have the exact figures, but we have mentioned 22 if I remember last time 22 to 50 and we have added about 50 to 70 this quarter.
- Suhani Joshi:** Rs.90 Crores in Q3?
- Arvind Kapur:** Only Q3. In one quarter you will see 300 being added, in one quarter you will see only 10 being added. It is a negotiation that takes place three to six months that is what happened.
- Suhani Joshi:** Thank you.
- Moderator:** Thank you. We have the next question from the line of Siddhart Bhattacharya from Anvil Wealth. Please go ahead.
- Siddhart Bhattacharya:** Sir, I wanted to understand what is the room for negotiation in terms of our order book that we have, how does price of raw material increase and other input increases get passed on if at all?
- Arvind Kapur:** See, with all the customers as far as the raw materials like aluminum and iron are concerned those are passed through and most of the customers it is every quarter, so one quarter is applicable for the next quarter and the subsequent quarter is applicable for the quarter after that and for most of raw materials that we have and if there is an exceptional change like the oil prices went up with Maruti we have also on the power front and with the local customers with all of them we do not have in the power front, but increasingly we are penetrating that section also, so the raw materials and the power front we like to pass through, the other prices of course we need to control ourselves.
- Siddhart Bhattacharya:** Is there like a range beyond, which you pass through or below which you take?
- Arvind Kapur:** No, see what happens is that the average price prevalent in aluminum for this quarter would be applicable for the next quarter, so there is the total pass through or they deduct totally, but the lag is there, we will get the money if the prices are higher this quarter, the next quarter there would be a lag when we actually recover the money and we have always there for the time when the prices come down, when they start coming down that is the time we actually recover the total money.
- Siddhart Bhattacharya:** Correct, so over the entire period of the campaign, you recover whatever the changes in the raw materials were?
- Arvind Kapur:** Yes, with the lag of three months.
- Siddhart Bhattacharya:** Thank you.
- Moderator:** Thank you. We have the next question is from the line of Bharat Gianani from Sharekhan. Please go ahead.



- Bharat Gianani:** Sir, thank you for the opportunity once again. The order book numbers that you gave about Rs.2300 Crores, but that is the order that we have received in this financial year, right?
- Arvind Kapur:** Yes, in nine months.
- Bharat Gianani:** But in Q3 we have just added about Rs.60 Crores to Rs.70 Crores, so it which means that in first nine months we have added about like Rs.1900 Crores, is that the right way to understand?
- Arvind Kapur:** No, last we have added just about... Rs.2300 Crores is the total for this current year and whatever we add in the next one to one and a half month that is left and We could in the position that we are on, we have another about Rs.700 Crores, which is in the pipeline and almost 70% are on the greener side, but since we have not received the order we do not regard them as part of the order, we only regard those orders, which we have received absolutely.
- Bharat Gianani:** So, this Rs.2300 Crores to Rs.2400 Crores whatever is there, the order book that is actually...?
- Arvind Kapur:** Yes, that is close to Rs.2400 Crores.
- Bharat Gianani:** So, this is executable over what timeframe?
- Arvind Kapur:** Over five to seven years depending on what class of vehicles we are talking of. The total we are talking on a 4800 Crores to be done over five to seven years.
- Bharat Gianani:** So Rs.2300 Crores of this year and the Rs.2000 Crores, which you have got the year previously.
- Arvind Kapur:** Yes.
- Bharat Gianani:** Thanks a lot.
- Moderator:** Thank you. As there are no further questions, I now hand the conference back to the management for closing comments.
- Arvind Kapur:** Thank you so much and please feel free to write to us in case you have any queries, which you would still like to understand more from us, we would be transparent and open about it and all the senior players are here, we both willing to answer any questions that you have. Thank you so much for taking out today.
- Moderator:** Thank you very much. On behalf of S-Ancial Technologies Private Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.