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Dear Sir,

Sub: Con-call Transcript

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith submit the Transcript for the Con-call held on 5th August 2022 on the unaudited financial results for the quarter ended 30th June 2022.

This is for you information and records.

Thanking you

Yours faithfully,
For Pricol Limited

T.G.Thamizhanban
Company Secretary
ICSI M.No: F7897

PRICOL LIMITED CBE

Encl: as above

Pricol Limited
Earnings Conference Call
August 05, 2022

Moderator: Ladies and gentlemen, Good day and welcome to the Q1 FY23 Earnings Conference Call of Pricol Limited. As a reminder, all participant lines will be in the listen-only mode and there would be opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing '*'then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you, Sir.

Anuj Sonpal: Thank you. Good afternoon everyone and very warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors. We represent the Investor Relations of Pricol Limited. On behalf of the company I would like to thank you all for participating in the company's earnings call for the first quarter of financial year 2023. Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call maybe forward looking in nature. Such forward looking statements are subject to risk and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by an information currently available to management. Audiences are cautioned not to place any undue reliance on these forward looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review. Now let me introduce you to the management participating with us in today's earnings call and hand it over to them for opening remarks. First we have with us Mr. Vikram Mohan – Managing Director, Mr. P M Ganesh – Chief Executive Officer and Executive Director, Mr. Siddharth Manoharan – Chief Strategy Officer and Ms. Vidya who is our Chief Financial Officer. Without any further delay, I now hand over the call now to Mr. Vikram Mohan for his opening remarks. Thank you and over to you, Sir.

Vikram Mohan: Thank Anuj for the introduction and very good afternoon to our investors participating in this call today. We apologize for the slight delay in starting the call because of some technical issues and thank you for your patience. I would like to once again introduce my colleagues on the call today we have with us our colleagues Ganesh who is our CEO and Executive Director and Member of the board. We have Siddharth Manoharan who is our Director of Strategy and Head of special projects and Vidya Venkatachalam our Financial Controller, our CFO who could not make the call today as he has had grievement in his immediate family and is busy with the ceremony.

I do hope all of you have had an opportunity to look at the presentation that has already been uploaded. I will go straight into some of the key parts of the presentation which I would like to develop on. From industry partnership that we have entered into in the last few months has been with Sibros a company that is based in the silicon valley which is going to help us strengthen our presence in the driver information system and telematics by offering end-to-end solutions and helping us grow our software presence in the driver information system space. We have recently entered into an agreement with BMS PowerSafe, a part of startup group based in Europe. This is a new product that will help us increase our place in the EV portfolio products in the coming years.

So, those of who are not familiar with what BMS is. A BMS is eventually going to play the role of an engine in a vehicle in a EV because the fuel is provided by the batteries. The battery management system which is hardware plus software put together will come on in control with vehicle. We have also created a center of excellence with PSG College of Technology, institution of repute and ranked among the top engineering institutions in the country. To develop high efficiency, micro motors and robotics and artificial intelligence to bolster our manufacturing engineering capabilities as well as to help with your actuation and fluid control system vertical of the company. We have also partnered with Candera CGI studio which will help us improve our HMI solutions because as our driver information systems are getting more digital, we need to have better human mission interface between the vehicle and the driver and our partnership with Candera will help us go that way.

So, as I have mentioned earlier in my earnings call we are working towards becoming more of the technology driven company and technology company to help in the automotive industry rather than a competitive manufacturing company and all of these partnerships that we have entered into so far are helping move us in that direction. Having said so, we continue to invest nearly 4.7% of our sales on both product and process technology and about 60% of our while collar cost continues to be spent on product and process technology which will help keep us ahead of our competition in terms of offering technological solutions and not just products or components to our customers. Some of the key highlights were winning the Suzuki Motorcycle vendor of the year award which is received by our Executive Director and CEO in June.

Cutting to the financials which most of you would be interested in. We have at a consolidated level reduced our borrowing significantly to 65 crores compared to the same time last year as of 30th June excluding ECLGS borrowings, the long-term borrowings stands at 65 crores and as a management team we are parallel confident of extinguishing this and bringing it to a zero in the next few months. We have a healthy EBITDA and healthy EBITDA margins. EBITDA margin of course could have been higher if not for the supply chain constraints that we have been facing on account of our IC shortages. We continue to buy ICs at premium prices and also by being expediting fees part of these cost are offset and compensated by our customers and part of this cost are being observed by the company which has resulted in an EBITDA margin of only 11.8% on a standalone basis and 13.06% on a consolidated basis.

These problems will continue to occur for another two to three quarters as per expert opinions till supply chain come back to normal and demand come back to normal until which the EBITDA improvement where the team is working on is going to be a little difficult. Our revenue from operations on a quarter-to-quarter comparison between Quarter 1 FY22 and Quarter 1 FY23 has seen a 41.61% increase. This is also on account of Quarter 1 in FY22 having the second wave of COVID and resulting in partial lockdown at that point in time. Our cash profit for the period has increased again on a quarter-on-quarter comparison between FY22 and FY23 by 48.63%. Profit before tax has increased substantially and so has profit after tax.

On a consolidated basis again, the numbers are similarly significantly higher. Our EBITDA for the first quarter for a standalone basis stands at 11.8% and our total borrowing including working capital is at 138 crores of which 65 crores are long term borrowings. We have further reduced these long-term borrowings by about 40 crores in July. So, our long-term borrowings as of today stands at 25 crores and the management team is very confident of extinguishing the same in the next few months the cash generated from operation. On a consolidated basis we have generated an EBITDA of about 13% and borrowings continue to be on a similar note. We do not have any borrowings at any of our subsidiaries. One of our subsidiaries are cash accruing.

Some of the recent product launches has been the TFT cluster for the IQ which has been a runaway success for TVS to be launched by TVS roll in and some industrial export products and for the first Tata Motors EV Commercial Vehicle we have been collected to be the supplier as well. Thank you very much and we would be happy to entertain any questions. Our humble request in order to allow everyone a chance to have their questions we will request participants to take one question at a time as one question is over to join the question queue if they have further questions. Thank you very much.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Jinesh Shah from Kongu Commodities. Please go ahead.

Jinesh Shah: I just had couple of questions regarding our order book and a utilization levels?

P **M Ganesh**: Jinesh actually what we do is the capacity is created based on the customer requirement, how we generally work is on a two-year horizon in terms of capacity planning. So, what customer gives us is the indication for on a rolling basis for 24 months. Based on that capacity is planned, capacity is based on the final assembly operations is what we do. In terms of backward integration because it is a very largely backward integrated company depending on certain fluctuations in demand if the demand is going to be high during the festival season then we can contract it outside to our suppliers.

Jinesh Shah: And regarding our order book?

P M Ganesh: See it is difficult to say what was the order book as such because OEM does not work that way. It is always on a rolling schedule that whatever they give it to. So, there generally a one year month-on-month requirement on a rolling basis for the month-on-month period for our material planning that is how the OEMs works. So, there is nothing called as a specific order book position, but as we speak the demand has been quite robust and you can see the results in Q1 we have done more than 430 crores.

Vikram Mohan: I would like to further supplement what my colleague Ganesh has said I hope I am audible now Mr. Shah. We have a very healthy order pipeline and a healthy pipeline of new products which has been confirmed as LOI from our customers which will have part of production in various timeframe over the next couple of quarters. So, in terms of a new product pipeline and confirmed LOI from customers we have a very healthy pipeline. The headwinds that we are facing in the industry which is the supply chain headwinds and logistic headwind will continue to hamper our optimal output not just from us and OEMs. I believe we will be producing 10% less than what the demand were seen in Quarter 1 those demand is higher purely because of these headwinds faced by our ultimate customers which is our OEMs as well as ourselves and these headwinds are expected to ease off in between 6 to 9 months for industry exports.

Jinesh Shah: I would also like to understand the recent partnerships that we have got with BMI and Sibros when can we expect products in partnership with them to come into production, can you just throw some more light on these partnerships?

Vikram Mohan: With regard to the growth the first set of joint product will be ready this month and from next month we will start the road show with the customers. With A customers whom I would not like to name, but a very large OEM we have already got an LOI which will go into production in about 12 months' time, but the real power of this partnership and in terms of significant numbers which will start firing on all cylinders in about 24 months. With regard to BMS PowerSafe the first visit to the customers will start taking place now and the real benefit of this partnership and this is a very mission critical product that I said it is going to be the heart of the automobile of the EV vehicle. So, the first revenue will not be expected before 34 to 30 months coming out of this partnership. The Center of Excellence launched with ESG and we have one more Center of Excellence with another engineering institution of repute in the angle which will be allowed shortly. So, these are to only boost our development capabilities both on product and process.

Moderator: Thank you. The next question is from the line of Vipul Kumar Anopchand Shah from Sumangal Investment. Please go ahead.

Vipul Kumar Anopchand: So, my question is what percentage of our turnover comes from driver information and connected vehicle solution segment and actuation control and fluid management systems?

Vikram Mohan: 55% of our turnover comes from driver information system 50% to 55% based on the product mix and above 30% from the actuation and fluid control systems. Ganesh correct me if I am wrong.

P M Ganesh: Yes Vikram I think that is the right number.

Vipul Kumar Anopchand: So, sir this actuation control and fluid management system mostly will be in IC engine right?

Vikram Mohan: Yes it is in IC engine, but we are focusing more on the off-road vehicle, construction equipment heavy duty engines which are not going to be disrupted by EV vehicles and exports. We do have a portfolio of about 130 crores which are to the two-wheeler IC engines in the fluid management systems which over the 5 to 7 years we will phase out, but the new product growth for the other segment in that vertical will far outweigh the loss of this business.

Vipul Kumar Anopchand: Can you comment on the margin for a two segment they are same or they are different?

Vikram Mohan: On a normal basis the margin for the driver information system is higher and for the actuation and fluid control system is lower on a normal basis, but for the past one year the situation has been slightly robust because one of the key raw materials for the driver information systems is IC and electronic components which are seeing massive shortages so we are paying previous priceless to get raw material as well as premium freights and expedite increase. So, today scale have slightly dipped, but on a normalized basis the margins in the DIL segment are higher than the fluid control system which is a little more commoditized.

Vipul Kumar Anopchand: And lastly what percentage of our turnover comes from two-wheeler and what percentage it comes from four wheelers and other vehicles?

Vikram Mohan: I will let my colleague Ganesh to answer that question. Ganesh over to you.

P M Ganesh: About 65% of our total revenue comes from the two-wheel front, about 25% of our revenues comes from the ORV and the tractor segment and the remaining comes from the personal passenger vehicle segment.

Vipul Kumar Anopchand: Sir 20% is from tractor and which other segment you said sir?

P M Ganesh: Off road vehicles, commercial vehicles and tractors. I will just repeat Vipul if I am not audible 65% comes from the two-wheel front, 15% comes from the commercial vehicle, about 10% comes from the tractor and ORV segment and the remaining comes from passenger vehicle segment.

Moderator: Thank you. The next question is a follow up from the line of Vipul Kumar Anopchand Shah from Sumangal Investment. Please go ahead.

Vipul Kumar Anopchand: So, sir can you comment on the CAPEX required for your recent partnerships, what is the scalability and means what type of margin we can seek from this products competitive intensity then it will be really very helpful sir?

Vikram Mohan: We have estimated a CAPEX of about 350 crores to 400 crores over the next 34 to 30 months in order to meet our FY26 goals or vision 2025 as we progress within the company which will take care of all our new product launches and alliances. In terms of margins, we believe normalized margins for our business for this family or product should be between 14.5% EBITDA as against 11.5% that we are seeing today. The erosion in EBITDA will continue to be there for another year or at least 9 months before it improves and as the new technology products also kick in the margins improve. So, that answers your question in terms of anticipated CAPEX and this was CAPEX and also in terms of growth and in terms of margins. Some of the commoditized products like B2B oil pumps, and chain tensioners the lower margin products as they keep going out of our portfolio and be more high technology product like the TFT clusters where we start replacing the mechanical clusters the margins are going to also go up which is why I felt when the supply chain pressure ease and normalized supply demand and electronic components and as we keep moving after technology along with our customers our margins will normalize at around 14% to 14.5%.

Vipul Kumar Anopchand: So regarding this battery management system tie-up, so what exactly we will be supplying, we will be supplying battery pack or we will be supplying components means I am little confuse so please clarify?

Vikram Mohan: We have mentioned what is a BMS? A BMS is not a battery, a BMS is not a charger, but it is piece of hardware and software which manages the entire vehicle propulsion system. So, it is hardware plus software put together which sits on top of the battery, the charger, the motor, the price etcetera which manages all of the system and hence to the propulsion to the vehicle. So, basically hardware plus software put together which will manage the vehicle propulsion.

Vipul Kumar Anopchand: So, this BMS will be selling to two wheelers, four wheelers or we will be selling to all vehicle manufacturers and what type of content per vehicle we can expect?

Vikram Mohan: We are starting with the two-wheeler segment, but this will cut across all vehicle segments a BMS.

Vipul Kumar Anopchand: So, in BMS what type of content per vehicle we can expect from this business once it becomes fully operational?

Vikram Mohan: We will be able to give you the figures a little bit later in the day because we have just started work on the product along with BMS.

Vipul Kumar Anopchand: It looks very promising sir I would like at your opportune time your company looks very interesting to me I would like to meet you so when should I contact because I have lot of questions which cannot be asked over call so when should I contact?

Vikram Mohan: Please do get in touch with our Head of Corporate Communication who is also on this call Mr. Siddharth Manoharan who is also our Head of Strategy and Project and he will be able to concentrate in personal meeting at a mutually convenient data with the leadership team.

Moderator: Thank you. The next question is from the line of Vishal Chandiramani from Motilal Oswal. Please go ahead.

Vishal Chandiramani: My question was regarding the CAPEX plan you mentioned that you are going for a CAPEX of 350 to 400 crore in the next three years as a company has been shortlisted in the PLI scheme that is offered by the government, so is the entire CAPEX be classified as PLI CAPEX or how does it work out?

Vikram Mohan: I will request my colleague our Directory Strategy and Head of Project Siddharth to take that question because he handles that function?

Siddharth Manoharan: Vishal as part of the PLI application yes we have been approved and the 300 crores of CAPEX what our Managing Director mentioned will be staggered over the years and depending on the product maturity as well and many of this product is already applied as part of the PLI application will be qualifying for the PLI scheme, but we will not be able to quantify the exact values as we stand.

Vishal Chandiramani: Sir we have been doing a PAT on roll over basis of around 2, so we will continue to do a PAT of 2 or will we be increasing our PAT upon our sequential year-on-year basis?

Vikram Mohan: We will be increasing because historically we had high amount of borrowings which have reduced our interest cost was high which has now reduced. The long-term borrowing now inching near zero on the next couple of months it will improve even between Q1 of FY22 the Q1 of FY23 as we have seen on the presentation there has been a significant increase. I would like to draw your attention to is free cash flow and cash from operations which has also seen a significant increase and almost all of this CAPEX that has been planned will be funded from internal accruals with the next to go external borrowing for the same.

Moderator: Thank you. The next question is from the line of Amit Mehta from Sunidhi Securities. Please go ahead.

Amit Mehta: You mentioned that you have a term loan of 65 crore and working capital loan of 74 crores on the consolidation basis, you also report the cash balance you know during half yearly number, so can I know what is the cash balance so we know what is the net debt in the books?

Vikram Mohan: Mr. Mehta actually as we stand today as I mentioned earlier the term loan is not 65 because the retired term loan in the month of July also stands at 25 crores.

Amit Mehta: Now it is 25 crores?

Vikram Mohan: It is 25 crores as on today because we have further retired term loans. The cash balances on the books I do not have to figure today I will request my colleagues Vidya to come to this call to answer that question.

Vidya Venkatachalam: As far as cash balance on books on consolidated levels it will be net off long term borrowing will be nil. We will be having a positive cash reserves on a consolidated basis, but as regards the working capital we are having working capital borrowing to run the show so that will be around 70 crores.

Amit Mehta: So, can I assume that your net debt is only 70 crores?

Vidya Venkatachalam: Yes short term including working capital borrowings.

Amit Mehta: Regarding the CAPEX you mentioned that you plan to spent about 350 crores to 400 crore for the new products so that will take about two years in a phase manner, so how much revenue this CAPEX can generate approximately?

Vikram Mohan: We currently have a capacity of about 2,200 crores for varying products which could come as low as 2,000 it could go as high as 2,400 crores Mr. Mehta based on the call which is our current capacity. If we invest this 350 to 400 crores give or take that will put us closer to a capacity of 2,500 crores.

Amit Mehta: 3,500 crores.

Vikram Mohan: 3,500 to 3,600 crores capacity.

Amit Mehta: Currently though you have a capacity to do about 2,200 crore of the revenue, but still we have seen a 1,800 crore kind of range, so when do we see that we can go to the optimal level of capacity from our existing capacity available?

Vikram Mohan: Well possibly a war in Ukraine is over and things are normal in finance. Actually like I mentioned earlier the demand is higher than what we are able to supply. We are losing at least about 10% production every month which means our OEMs are also losing that production. So, the demand actually that are there today the current run rate of demand is closer to about 155 crores or 170 crores whereas we are producing only about 150 crores. So, we can reach our capacity well certain normalcy comes back into supply chain which is going to take between 6 to 9 months that is why we are now planning for the new wave of CAPEX in order to enable our view product launches in enhancing capacities for all the new businesses that we have won which are growing to go into production in FY24, FY25.

Amit Mehta: We have read that the availability of the chip size little bit improve the problem was severe 6 months back, but now there is little ease of the availability of this chip, so is that true?

Vikram Mohan: No, actually if you ask me even yesterday at the board meeting my team and I was telling our directors probably we are at the worst at this point of time. Q2 is possibly to be the worst quarter substance availability for the automobile dependency. Ship availability has improved for the non automobile segment like computers and telecommunication industry, but I think the automotive industry either reached its peak at this point in time. In fact we are literally running on one ships or two ships raw material availability of ships.

Vidya Venkatachalam: This is Vidya here let me clarify the borrowing position again. See at a consolidated basis we are currently long-term debt free now because we have cash reserves which can nullify the current long term debt what we have as on 31st of July in the consolidated level and with regard to working capital as your other repo rate or increasing so we are exploring ways and not to utilize our borrowing instead of borrowing we are exploring ways to go for some saturation or discounting facilities with the customers. So, whereby we are planning to reduce our borrowings short term borrowings also hope it is clear now.

Amit Mehta: So, this working capital loan of 74 crore which is a drawn limit?

Vidya Venkatachalam: No, the drawn limit will be around 25 crores now since the repo rates were going higher. We are just going in for some working capital demand loan at very low competitive rate whereas the working capital funding as such including our factoring facility with the customers and discounting facility with the customers will be around 70 crores. So, in the financial as such we will be showing only around 20 to 25 crores as working capital borrowing whereas the working capital funding will be around 70 crore.

Amit Mehta: So, when the company plans to become a debt free so probably the next quarter you will have a term loan debt free and the working capital loan will fluctuate depending on the volume of the business, is that assessment correct?

Vikram Mohan: Yes Mr. Mehta I have always maintained that by March 2023 we will be long term debt.

Amit Mehta: Sir you will be before that now because now as we speak you are only 25 crore term loan?

Vikram Mohan: In my earlier earning call I had promised that as a team we are working towards the goal of becoming long term debt free by March 2023. So, we are ahead in our cash generation.

Amit Mehta: But I am telling you will be much before that?

Vikram Mohan: On the net debt basis with cash balances, we are already on a consolidated basis, we have no long term debt, but the 25 crores debt which is there on the books also will look at retire to the next couple of months.

Amit Mehta: Madam what is the interest cost currently what we are paying on our working capital loan?

Vidya Venkatachalam: Yes, on working capital borrowings as such we are at 6.25% percentage, but you might have seen there is another repo rate increase today. So, we need to wait and see how it may increase. As far as the other working capital funding per se it is around 7 percentage now and we also have one ECLGS loans that is at around 8 percentage that is also towards the working capital.

Moderator: Thank you. The next question is from the line of Jayesh Parekh from JMP Capital. Please go ahead.

Jayesh Parekh: I have two questions one is that we have research technology center at Coimbatore?

Vikram Mohan: We are unable to hear you can I request you to be a little louder.

Jayesh Parekh: We have a research center at Coimbatore were around 300 engineers are working and they are spending almost 5% of our revenue size, so I just wanted to understand from you how this research center is contributing towards an operational material efficiency as well as how this research center will contribute to expand our presence in field other than two and three wheelers?

Vikram Mohan: Let me correct you on that it is engineering and technology center for product and process development and the exact number of people working there are 380 people out of a total white caller spent in 850 people out of the total white caller compensation about 60% is used for both product and process development. All of our new business wins with Tata Motors or TVS or Bajaj or Hero Motors has been because of the efficiency of this technology center, any of our Indian peer who are dependent on foreign partners for technology or MNC companies that are dependent on their own country technology centers we are able to do it very strongly that is why our market share is at the high and we are not restricted only to two wheeler we also having commercial vehicle at 80% market share and we have now started entering the personal passenger vehicle segment also with the business with Tata Motors, business with citroen etcetera.

Jayesh Parekh: My point was that we have 65% content of our revenue is coming from two-wheeler and then rest were there in all the segments, but 10% odd were there. So, as a long-term planning I mean will you think that going forward this 10% presence can be double in next five years I mean my point is that like CV if we are there in CV as 10% which is approximately 150 crore so this kind of presence in four wheeler, CV, tractor and off road vehicles can be double in next five years?

Vikram Mohan: We understand two wheelers are continuing to grow, ORGs are continuing to grow, CVs are continuing to grow, in two wheelers we are the world second largest in off road vehicles, commercial vehicles we are amongst the world top five, so we will continue to maintain that leadership position. In passenger vehicle we are growing, but we will not be among the top player India for strategy because for Jacuzzi, European car makers tend to work with European suppliers like visteon and Continental. The Japanese car makers will have suppliers like Nippon Seiki or Denso because they launch the same platform in about 20 factories in about 9 different countries. It is impossible for Pricol being Indian company to supply across so many factories in so many countries. So, we are focusing on such car makers where we can have a practical advantages. So, our focus will remain on these products verticals, our focus will remain on two wheeler or off road vehicle and commercial vehicle segments and practical customers in the passenger vehicle segment first for passenger vehicle, four wheeler segment.

Moderator: Thank you. The next question is from the line of Raghvendra Goyal from ICICI Securities. Please go ahead.

Raghvendra Goyal: Sir I want a clarification like back in Quarter 3 when you disclose about your technical tie up with Hydrus technology, so at that time you said your CAPEX plan would be somewhere around 600 crores that would be funded through a mix of getting equity, so I just wanted an update or any clarification whether there is any change of plan with respect to the same?

Vikram Mohan: There has been no change of plan Mr. Goyal, but 350 crore to 400 crore is on a standalone. We are working on two joint ventures if that culminate then that will also entail in the renewals, but we are not still discussing what is going to be the partnership, what is going to be the investment, what is going to be the contribution by the joint venture partner. We are now talking of 350 crores to 400 crores in the next 24 months to 30 months which will be spent by Pricol outside of these joint ventures that are being envisaged because that is still not compromised.

Moderator: The next question is from the line of Vipul Kumar Anopchand Shah from Sumangal Investment. Please go ahead.

Vipul Kumar Anopchand: Sir we are already manufacturing driver information systems. So, what value this Sibros partnership will add, so can you elaborate?

Vikram Mohan: I would request you to go into the presentation and read a little bit more about what the Sibros partnership because it is very clearly mentioned in the investor presentation and since you have asked for a personal meeting my team can explain more clearly because I do not want to get this into a technology product.

Vipul Kumar Anopchand: Four or five lines have been written, but still, I could not understand that question if you want I can take it offline also?

Vikram Mohan: Because if we could get into heavily into technology basically we are an hardware and they are in software and power of both are considered better to develop a better result.

Moderator: Thank you. The next question is from the line of Tanvi Poddar from Mount Infra Finance. Please go ahead.

Tanvi Poddar: Sir, would it be possible for you to give some light on the kind of order book which you have currently?

Vikram Mohan: I think this was answered ma'am by CEO and Executive Director, but nicely said so we are capable of producing about 2,200 crores of business right now and we are in little profitable right now and we are creating capacity to go to about 3,500 crores over the next two and half years and this is based on future LOI and pipelines as I think indicated by our customers I think definitely with regard to the order book the CEO had answered the question earlier, how these pipelines work and how order book work in automobile industries.

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

Vikram Mohan: May I request our Director Strategy to close this conference call please.

Siddharth Manoharan: Thank you. On behalf of the management we would like to thank all the investors and the analyst who has joined in today's call. We look forward to connect with you and in the future and any queries if you have please reach out to us directly or to our investor relation partner Valorem Advisors for any clarifications. Thank you once again for joining the call today.

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