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Sub : **Transcript of Conference Call held on 28th May, 2025**

Dear Sir/Madam,

Please find enclosed herewith the transcript of Conference Call held on 28th May, 2025 with the Investors.

This is for your information and record.

Thanking you,

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

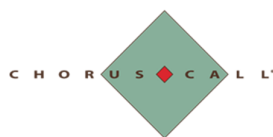
Ruchika Gupta
Company Secretary
FCS : 6456

Encl : As above



Rico Auto Industries Limited Q4 FY25 Earnings Conference Call

May 28, 2025



MANAGEMENT: **MR. ARVIND KAPUR – CHAIRMAN, CEO AND MD**
MR. KAUSHALENDRA VERMA – EXECUTIVE DIRECTOR
MR. R.K. MIGLANI – EXECUTIVE DIRECTOR
MR. RAKESH SHARMA – CHIEF FINANCIAL OFFICER
MS. RUCHIKA GUPTA – COMPANY SECRETARY

MODERATOR: **MS. HAZEL RATHOD – S-ANCIAL TECHNOLOGIES**

Moderator: Ladies and gentlemen, good day, and welcome to the Rico Auto Industries Q4 FY '25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Hazel Rathod from S-Ancial Technologies. Thank you, and over to you, ma'am.

Hazel Rathod: Thank you. Good evening, everyone, and thank you for joining us for Rico Auto Industries Q4 FY'25 Earnings Conference Call. From the management, we have with us Mr. Arvind Kapur, Chairman, CEO and MD; Mr. Kaushalendra Verma, Executive Director; Mr. R.K. Miglani, Executive Director; Mr. Rakesh Sharma, Chief Financial Officer; and Ms. Ruchika Gupta, Company Secretary. I now request Mr. Arvind Kapur to take us through the key opening remarks, after which we can open the floor for the question-and-answer session. Thank you, and over to you, sir.

Arvind Kapur: Good evening. My name is Arvind Kapur, and I'm sitting here with my colleagues. I have Mr. Rakesh Sharma, who is the CFO. Along with him, I have Mr. Kaushalendra Verma, who is a Director of the Board; then Mr. O.P. Aggarwal, and I have other colleagues looking after marketing, the company secretary and everybody sitting here.

At the outset, on a positive note, the GDP of India will be growing by 6.2% this year, even though it's been lowered by the World Bank and also by RBI, and we are talking of 6.2% plus. And the last time I had said that we should be between 6.2% to 7%. That's what we had indicated based on the information that was provided to us by the government and by all the industrial bodies as well.

We must congratulate ourselves. We have become the fourth-largest economy in the world. And hopefully, we'll become the third largest in the next 3 years. And if the economy keeps on growing this way, certainly before the end of 3 years, we should be the third largest economy. There is a lot of geopolitical tension that is there these days, primarily, one is, of course, the wars that are going on in the Middle East and as well as in Europe, but also because of the trade tensions that are there, primarily because they originate from the U.S.

And so as a result of this, we are seeing FTAs being signed, bilateral arrangements being made with various countries. With the U.K., we have signed, even though implementation might take a while, but I'm sure the Indian government is very aggressive on signing further bilateral trade agreements with the EU and many other countries around us.

And hopefully one day, we will also sign with the U.S., but that might take a little while. And the target was September, but we are not very sure as to what really happens there, and it totally depends on the team of the President of the United States.

Talking about Rico, our turnover has gone up by 2.5%. We had estimated better growth this year, but there were some issues with the exports. If I talk about exports in the year FY'23, we had exported INR500 crores worth of goods. FY'24 we came about 422 crores, but this current

year, we are talking of i.e. FY'25, our exports came down to INR351 crores. That was primarily because BMW, the electric vehicle business, dropped by almost 40% in Germany in Europe, and that had a major impact on our sales.

Now, this current year, that's FY'25-'26, the exports will go up to INR380 crores. And by FY'27, the orders that we have in hand, we should be crossing INR500 crores back to our FY'23 position. Our turnover this year is INR2225 crores, and we are estimating our turnover to go up to INR2,650 crores this year.

These are based on the projects which have been implemented last year and which have come into production this year, and some of the projects which are getting live this year. And everything seems to be doing well so far, and is primarily driven by the domestic demand, but the export demand will also go up.

This year, the exports are going up to INR380 crores or INR351 crores, but our shipment will be much more, primarily because we will be stocking in the U.S. for the sales to start from January-February next year onwards. And that's the reason that I'm very confident that next year, we'll be crossing INR500 crores as far as exports are concerned.

So, this year, our sales turnover is expected to be INR2,652 crores. That's what has already that's now almost 20% higher than this current year. And the year after that, the plan that is already in place, where the orders are placed, is also another growth of about close to 15% plus.

Last time, I had announced that last year, we received orders worth about INR720 crores. And these will be implemented this year and next year and the year after that, that is the 3 financial years. And this year, our target is to pick up another INR650 crores worth of orders, which would be implemented partly this year, partly next year and the year after that.

Out of INR650 crores, we've already picked up orders for INR70 crores, where the deliveries have come to started from this year onwards. So we are very happy about that. These are the add-ons to whatever budget we have prepared for INR2,652 crores, but we are sticking to INR2,652 crores of turnover this current year, that's FY'26 we are talking of.

The business seems to be good, but the only problem that we are all facing is the uncertainty of what will happen in the U.S. The exports are taking place, and the new orders that we have received, we have started delivering those goods. The shipments are being made here. And the tariffs have been applicable.

But at the moment, I don't think the customers also have a choice. They need to pay off the tariff. And we have settled with some customers, but we are settling with the other customers as well. So, this should be okay, till there's a trade agreement which is signed between India and the U.S., where there could be some negotiations on the reduction of the current tariffs that are there.

So, this current year that we are talking of, FY'25-'26, is going to be a good year, 20% growth that we are anticipating. That will also help us to utilise the equipments. And like I had mentioned in one of the meetings that our iron foundry utilization capacity was only 50%. This

will go up to about 60%-65% this year. And next year, we'll be crossing 80% utilization of the gray iron foundry.

And on the aluminum side, there, we were at 62%-64% utilization. We should go up to almost about 75% this year. And then next year, we should be in the region of about 90%. That's the current equipment where the investments have already been made and capacities which had freed up partly because of the efficiencies that had come into the system and also there was some reduction of some export orders and that also freed up the capacity, but we'll be able to utilize the total capacity in the next 2 years.

The investment in Hosur is going on. The building is getting ready. And the total investment that will take place there is close to INR220 crores, but spread over 3 years, partly this year, this year would be about INR70 crores, and next year would be about INR100 crores, and the balance would be in the third year. And there, Hosur is going to be catering primarily for Toyota as well as Aisin Seiki. And these components are for the hybrid as well as electric vehicles that Maruti and Toyota would be producing.

The defence is also doing well, and the shooting ranges that I had mentioned last time, that we've delivered, I think, close to 40 of them, and we are delivering almost 10 to 12 ranges per month. And there are future orders that we are expecting, and that should be interesting business. We've entered the railway business using the current capacity of casting as well as machining that we already possess. We've already started supplying to the people who supply to the railways. And in the meantime, we are getting the RDSO and other approvals which are required to be done, and we are hoping that the growth would be very good in the railways side.

And this is primarily utilizing the current capacity we have with a minimal investment that would be required to be done. This is the new business that we have taken up, so one is to add on additional lines of business of defence like it took us almost 10 years to come into defence to actually start delivering. But railways, we've been fortunate. We could start delivering within, I think, 2-3 months after we had decided that we would get into the railways.

So things are moving fine. Things are moving well. We have not factored the railway business in the current year, but we are hoping that we should be in the region of INR70-80 crores plus this year, in any case, if not INR100 crores. That's what the target is.

That's what I wanted to say, and we are open to questions. And my colleague is also sitting here to answer all the questions.

Moderator:

Thank you, sir. We will now begin with the question-and-answer session. The first question comes from the line of Bhaskara, an Individual Investor. Please go ahead.

Bhaskara:

Hi, everyone. Good afternoon, sir. Thank you for giving me the opportunity to ask questions. The first one is in the current quarter, how much defence we actually delivered in turnover -- how much turnover we did in the defence?

Arvind Kapur:

In the last quarter, you mean?

Bhaskara: Yes, sorry, yes, last year, Q4?

Arvind Kapur: What is the figure?

Bhaskara: Because the consolidation and the standalone difference is only of INR26 crores, and we have shown, I think, one-time loss of INR6 crores. If I remove that INR6 crores, the profit will be like around INR6-7 crores. So that is a good margin if I look at the only consolidated revenue after removing the standalone. So I'm not sure whether it's from the defence or it's from the wheels business?

Arvind Kapur: I'll just give you the right figure on the defence.

Bhaskara: Okay.

Arvind Kapur: About that loss, I had mentioned last time also, that it is a one-time loss of INR6.8 crores on the sale of assets, and that will not appear there. In the quarter, there was a sale of about INR6.8 crores in the defence.

Bhaskara: Okay. So, the defence revenue will come into standalone, sir, or in consolidation?

Arvind Kapur: They come under consolidation.

Bhaskara: The difference between standalone and consolidation is only INR26 crores, if I'm not wrong in Q4?

Management: It is INR1,607 crores in standalone. While in console, it is INR2,212 crores. For the quarter, also in standalone, it is INR415 crores and consolidated it is INR545 crores. This is only the sales portion. If we include total income also, then it is INR549 crores in console and INR422 crores in standalone.

Bhaskara: Out of INR164 crores revenue, like you think the margins will be around 20%, if I'm not wrong, what is the margin?

Arvind Kapur: The defence and the margins are definitely better than auto any day. And so, since we are ramping up and the margins will keep on improving over time.

Bhaskara: Okay. So basically, as per your comments earlier, every quarter we deliver 36 containers, we are going to deliver at the moment?

Arvind Kapur: We have the capability of delivering one container a day, and we are ramping up to deliver two containers a day. And now we are trying to seal the orders with the Navy and Air Force and others, and hoping that as those orders come in, -- we are ready for it now.

Bhaskara: Okay. Because the line was not clear while you were giving the initial comments, and I didn't get that figure actually. How much defence revenue do we expect in the current financial year?

Arvind Kapur: It's going up, and we are hoping that defence and railways and both put together, I think we should be INR100-150 crores plus, that's what we are looking at, and we want this business to

grow. In the consolidated, we also have Rico Fluidtronics. There, the growth has been very good. And in the console, that also adds up to the total figures.

Bhaskara: Okay, sir. Thanks. And one last question is about the new plant that is under construction, sir, like it's going to take some time. For Toyota specifically, we are putting a new plant, right?

Arvind Kapur: Yes. At Hosur, we bought 12 acres of land, and the building is under construction. And by July, I think we've got to deliver samples from there. By November-December, we will start delivering samples from there. And we need to start the first portion of the building will be ready by July-August, so that we can start installing the equipment and other things there.

Bhaskara: Okay. Thanks, and that's it from my side. Thank you.

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

Jyoti Singh: Thank you for the opportunity Sir. Congratulations on the good execution. Sir, I just wanted to ask on the capex side, like you have mentioned around INR220 crores capex. So this year, how much are we targeting to expand? Like next year, I heard INR100 crores. And this year, how much are we targeting to expand?

And which are the products that we will be going to supply, and which are the OEMs that we are targeting, and is any unlocking also happening on the new client side?

Arvind Kapur: See, the INR70 crores I mentioned and the INR20 crores I mentioned, that is primarily for the Hosur plant I was talking about. That is for this current year, that is FY'26 and FY'27, but if you look at the expansion that is also taking place for Maruti and Toyota at Hosur as well as in Chennai.

And there are customers where we have been supplying for a couple of years, GKN, where our sales will almost double. And with the other customers like Bremse, there also our sales are also going to go up. The sales are going to be very good there. And the advantage is the utilization of the current capacities that we already have, that's the casting capacities that we have, both in the aluminium as well as the iron. So we are very excited about that.

That also helps us to improve the bottom line and also utilization of the plants and equipments and also people, but if you look at the total investment that would take place in FY'25-'26, we are talking of the region of about INR150-155 crores, but that includes the dies, etc. too.

Jyoti Singh: Okay. Thank you, sir. And sir, just if you can guide us on the margin side, like earlier, we have guided a 13%-14% margin on the order for the domestic and a 17%-20% margin on the export side. So it remains the same or any changes?

Arvind Kapur: Let me redefine it. Export is always in the region of 15% to 20%. That's the minimum margin we work on exports. We are fortunate to get those margins, but if you look at the domestic, if you look at the 2-wheeler, there, the margins are on the lesser side.

They are totally commoditized. If you look at the car industry, we get better margins. There we are in the region of 13%, 14%, 15%. That's where the margins are. And the commercial vehicles, we also get better margins, but it's the 2-wheeler, it is very important for us because it acts as a filler for the plants also. Utilization of capacities and other things that are required to be done, and because the volumes are very high, there. So we do take advantage of that. In the domestic market, we will average out around about, I would say, about 11.5%-12%, i.e. the car industry and the 2-wheeler put together.

However, with the competition from exports, our margins dropped slightly this year, primarily because exports decreased. If the exports market had carried on, our margin would be much better. And this year, we are increasing our exports, it's going up marginally, though this year, and it's going up to about INR30 crores, which is about 10%. But next year, we will be at INR500 crores plus, back to the FY'23 level. And there, you will see the complete change in the balance sheet.

Jyoti Singh:

And sir, what led us to be that much positive? Any new order that we have got, if we can discuss on that?

Arvind Kapur:

Yes. We mentioned that last year, we picked up orders in one particular year. And the total orders we picked up last year were to the tune of INR720 crores plus, and we had also declared that. Now those are the orders in hand, which we received from both the domestic as well as the export customers i.e. overseas customers. And the year before that, we had picked up orders worth about INR350 crores- INR400 crores.

And the orders which we had picked up the year before that, those have started maturing, and we've already started production of those. Out of the INR720 crores, we would be adding about INR150 crores this year and almost INR320 crores additional next year, which would be INR420 crores out of the INR720 crores. And the third year from now, we'll be doing INR720 crores a year. Now these are the confirmed orders where the advances have been received by the letter of intent, everything has been received.

Jyoti Singh:

Okay. Thank you, sir. And sir, if you can guide us on the top line side and margin side overall?

Arvind Kapur:

So I did mention that this year, our target is INR2,652 crores – say 2,650 crores. Having said that, the orders we received just a couple of days back, some of them will start production by October- September-October this year, we should actually be able to cross INR2,652 crores.

Jyoti Singh:

Okay. Thank you so much.

Moderator:

The next question comes from the line of Rohit from I Thought PMS. Please go ahead.

Rohit:

Good afternoon, everybody. Sir, some questions from my side. I'm fairly new to your company, so pardon me if they are very basic. So sir, if I'm looking at your company for the last couple of years, we've sort of stuck at this stagnant level of INR2,200-2,300 crores. This year was a bit lower.

And I was going through some of your previous calls, you mentioned and just to your previous participant also, that exports were a bit lower, and that is probably one of the reasons for your margins to go down. So, if you can just maybe step back and explain what the reason was for the general sluggishness since FY'23, the last 2 years? That was my first question. And then I have a couple more.

Arvind Kapur:

If you look at our exports coming down, it primarily happened with BMW, their sales of electric vehicles in Europe came down by 40%. And we were the single source supplier to those EV components for Germany. And that reduction was huge, and we had extra stocks also lying there in Germany and the further shipments had to stop here. We had to reduce our production here. That was one.

Number two was PSA, they had extended a program until the end of the year, but they didn't realise that. So that sale also was a pretty large one, the goods are ready for the same, and now they're going to start consuming it this year, and that's what is going to happen in the export side.

On the domestic side, Renault Nissan did not perform at all. Their performance was very poor last year, and that impacted us. Now they're picking up, but primarily because of the exports. For the domestic market, we are very cautious in picking up orders for the domestic market as far as Renault Nissan is concerned. But for the export market, we are far more confident, and we have diverted that portion of the equipment for the export market to Renault Nissan for this year. And Kia, their performance was also lesser than the previous year. So these are the 3-4 customers who actually brought our sales down. The capacities were already created. Then there were 2 programs which got delayed. One is by Toyota itself, and that was a turnover of almost INR100 crores and Aisin. So it's the same program, Aisin and Toyota, but Aisin was going to supply the transmission, and Toyota was going to supply the complete hybrids.

Now this year, they are increasing the capacities. Our capacities are already in place, and we are excited about that. And this is going to be much better this year. So this was the main reason why the sales dropped. So this year, we are expecting a sale of INR2,650 crores plus. And next year, we already have a budget. So next year, we are about INR3,100 crores based on the current orders in hand and current programs that are already with us, which we are implementing and/or which we should start delivering by the end of the year or beginning of next year. So these programs are in place.

Having said that, there could be some delays in some programs. But now we're not anticipating delays from Toyota and others because they are after us to deliver them in time. And of course, their hybrid sales are suffering at the moment. So there, we are very confident. And Renault, we have discounted absolutely for the domestic market, but for the export market, they have started picking up the goods. So there's a lot of excitement in that direction as well.

So, we are full of confidence of INR2,650 crores this year plus and INR3,100 crores next year. Now having said that, we've already picked up further orders, some to be delivered this year onwards, which were not factored in this. That would be an add-on and that would also add to the figures over the next year.

Rohit: Got it, sir. Thank you for the elaborate answer. Sir, the second question was in terms of margin. I think you've been saying that you are very, I mean, your aspiration or you want the margins to be around 13%-14% at a company level, and that is where your endeavour is. And of course, you mentioned that exports were down, so hence, the margins got impacted.

So in that journey from, let's say, 8%-9% or 9%-10%, which are right now. So, to get to 13%, how do you see that journey over the next 1-2 years, if you can share that?

Arvind Kapur: Yes. So if you look at the cost, we have been able to improve as far as possible. For example look at the power cost, we've saved a lot on the power cost. There's a lot of work that has happened on the power cost, mainly because we've gone into solar and hybrid power through windmill, etc, and that's helped us to do so. And number three, we've invested in very efficient furnaces where we've been able to save a lot of power.

So the full impact of that would appear this year. In the last year, since it was being installed over the year, we could still make some savings there. But this year, you'll see a larger impact on your part. So as far as the various costs are concerned, there's full pressure on monitoring what is happening there.

Now, the problem was the utilization of our plants. We have surplus capacities as far as the castings are concerned. And those castings is where there's a lot of investment involved, those castings were not running at full capacities, which now are being utilized better with the addition of railways and also some of the Knorr-Bremse components we picked up on the iron side, in 2 years' time, we'll be running at almost 90%, and we'll need to add some furnaces to further enhance the capacities, but that we'll do 2 years from now.

And that would change the whole picture because the manpower remains the same, the plant is fully automatic, the same people run the plant 24/7, and we were running it only for 15 days or 16 days a month, now we'll be running it for 20 days and then going up to 24, 25 days or 26 days a month. So that utilization itself gives us a lot of savings.

Then, in the casting side also, in the aluminum side, we've improved our casting capacities by improving our efficiencies. And we are getting more per day from every machine than we ever got. It's almost a 20% improvement we've made as far as the casting is concerned. So, rather than running the machines, we shut some of the machines so that the machines which are running would run at full capacity. So, these are the changes which are happening, and now with new orders coming in, and the balance capacity, the die casting which we had shut down and we started utilizing those capacities, you will see a complete change taking place. 13% is doable, and so we worked it out. And once we are at about INR2,600 crores, our utilization capacity is much better, and you will see the change this year itself.

Rohit: Thank you, sir. Again, very helpful. Sir, just two more questions, if I'm allowed, if I can go ahead, sir?

Arvind Kapur: Yes, yes. Please, please.

Rohit: Yes. So, sir, if I look at the balance sheet right now, we have about INR750 odd crores of debt, probably around INR750- 800 crores of debt, if I'm not wrong. And of course, as you mentioned, you've expanded the capacities based on certain orders which got delayed. So over the next 1- 2 years or 2- 3 years, how do you see this balance sheet evolving? Maybe if you can share a bit on that?

And also, sir, I think we have some surplus land in Gurgaon, which we have mentioned in our interactions previously. So any thoughts on that? And how are you thinking about this whole leverage situation right now?

Arvind Kapur: The total debt at consolidated level is about INR660 crores but you'll see the debt come down this year itself and that's a pressure from our Board also. The land you're talking about is the Gurgaon land where we are currently sitting. And this land, this is about a 26- 27 acre parcel and very prime land, right off the main road, Delhi-Jaipur Highway prime land. We have been talking to various people so that we could monetize this land, and we have it in mind.

But if I cannot distribute enough money to my shareholders, we are not going to do it. There were people offering the land that the circle rate we are not prepared to sell the land. Because shifting, this is a very large plant, almost 2,500 people plus working here. We need to shift the equipment, machines. We are mentally ready for that. We have the space for that. We have the capacity to do that. But we also need to take permission from the customer because anything that we shift, the customer has to give us a clearance, be it BMW or be it Maruti or be it Hero or anybody else.

And we are mentally ready for that. But we should have enough money that we should get. If I'm making a profit of INR200 crores, we are not going to do it. If I'm making a profit of INR1,000 crores, we are certainly going to do it so that the shareholders also benefit from that. Let me tell you the talks are on. We are continuing to talk to the big builders like we're talking of Tatas and the Godrej's and others.

Rohit: Okay. And sir, one question on this export. So, I think BMW, I mean, we have expanded on the EV side in the last few years. And of course, the slowdown because to the competition from the Chinese side, but you were again gung-ho about the export bouncing back. So what is giving you that comfort? Whatever we are reading about some of the German or European manufacturers of EVs, they are still trying to fight this competition, and they are still quite sluggish. So what is giving you that comfort on the demand side?

And one more question on the debt, you said it will come down from INR660 crores. Any ballpark number on how it will come or what kind of quantum it will come down by?

Arvind Kapur: Our Board has told us that we should try to reduce the debt by about 10%. That's the target they've given us. But at the moment, we are working on it, and we are determined to reduce the debt. So that's the direction the Board has given us, and they're going to monitor that on a quarterly basis. So that's on the debt side. But we will be taking new debt also for the investments that are taking place. But we are also paying off, and we are also knocking off. We are trying to make our working capital more efficient. So that's where we are working on. And in fact, most

of our Board members are finance guys, and they are clued in to this. And so I think they are very particular about this, which is very good for us.

Management: Working capital will definitely come down.

Arvind Kapur: Yes, working capital will come down, yes.

Management: Long term, we'll try to bring it down.

Arvind Kapur: On the export front, to give an example of GKN, from INR80 crores, we're going to INR120 crores this year. So that's a major increase, which will happen for GKN, one particular customer. And that customer is catering to Ford and GMs, and BMW also in the US and various other customers.

So we are very confident of that. And then the other customer is Knorr-Bremse. That's a new addition. And there also, the supplies have started picking up, and that also helps us to improve the utilization of our foundry. That's the best part.

Moderator: The next question comes from the line of Abhishek Kumar, an Individual Investor.

Abhishek Kumar: First of all, congratulations on the projections you have provided for this year. There are a few things that I want to understand. Number one, you talked about how the export is going to pick up, and the aluminum price has gone down. So, can we expect a better margin...

Moderator: I'm sorry to interrupt, Abhishek. You're not quite clear. Please come a little closer to the microphone.

Abhishek Kumar: Next, you talked about the Hosur plant, which will have a capex of INR220- 230 crores. So, how much revenue are we expecting from it? And what would be the EBITDA margin? Because you told for the exporter, it will be higher for the passenger vehicle, but for the 2-wheeler, it is very low. So, what is the margin we are expecting from this INR220 crores project?

Arvind Kapur: The turnover there at Hosur is expected to be close to about INR350- 400 crores. That's what the expectation is. The investment is in the land, building and also in the equipment that we are talking about. The land-building is almost about INR50 crores. Balance is the equipment that is required to be installed. And we are expecting that we should cross the turnover of INR400 crores there. That's one.

On the margins, like I mentioned earlier, also, the car business, the 4-wheelers, the margins are better than the 2-wheelers. And this is all car business. And this is also car plus, I would say, mainly because this is related to the electric vehicle and also the hybrid vehicles. These are very complicated components that we are able to supply, and these are premium components.

Abhishek Kumar: Okay. And this year margin, this quarter, we are expecting some improvement to happen because aluminum prices have gone down?

Arvind Kapur: In the last balance sheet that you see, there's a carryover of about INR14- 15 crores, in the aluminum side. Because now the prices are coming down so that advantage, we will get this

year. And I hope the aluminum prices keep on coming down. So that's the important part. Thanks for congratulating us, but I think we could have done a better job, we should have done a better job and we should have got better margins. Our target is to improve our margins.

Abhishek Kumar: Is our long-term debt, which we are planning to pay this year apart from what we are going to raise. But what is standing as on date, how much we are going to pay for this year?

Rakesh Sharma: Re-payment is INR140 crores.

Arvind Kapur: INR140 crores is repaid.

Moderator: Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to the management for the closing remarks.

Arvind Kapur: Ladies and gentlemen, thank you so much for taking the time out to listen to us. But let me tell you that we are not satisfied with our results, and we need to improve them, and we are all working in that direction. And you will see it this year with better utilization of capacities, the margins are coming back to whatever we have been mentioning to you, and those are achievable margins, those are right there.

The cost reductions that we've been working on, on manpower reduction and others, those are effective, and we see those and the power saving and the tooling costs, etc, and the improvement in productivity on the equipment and all those things are actually on place now, and you'll start seeing the results in this year onwards.

And hopefully, there is no major disruption that takes place. And we are very hopeful that this year will be a good year. And this year and the next year are going to be very good years. So we're very excited about the orders in hand.

And the growth is primarily coming from exports as well as the domestic market. But in the 4-wheelers and 2-wheelers also growth is expected. We don't leave the 2-wheeler business because that is very important as a filler, like I mentioned earlier.

But our focus is primarily on the 4-wheelers and commercial vehicles, and now, of course, the railways and defence and also the exports, which are better margin items. And you will see the change that is going to come. We've been saying it last year, but this year, we assure you that we will achieve those results. Thank you so much.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Rico Auto Industries, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.