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Sub : **Transcript of Conference Call held on 27th May, 2024**

Dear Sir/Madam,

Please find enclosed herewith the transcript of Conference Call held on 27th May, 2024 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 Q4 FY24 Earnings Conference Call

May 27, 2024



MANAGEMENT: **MR. ARVIND KAPUR – CHAIRMAN, CEO & MD**
MR. KAUSHALENDRA VERMA – EXECUTIVE DIRECTOR
MR. R.K. MIGLANI – EXECUTIVE DIRECTOR
MR. RAKESH SHARMA – CHIEF FINANCIAL OFFICER
MR. B. M. JHAMB – COMPANY SECRETARY

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

Moderator: Ladies and gentlemen, good day and welcome to the Rico Auto Industries Q4 FY24 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 “*” then “0” on your touchtone 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 the Rico Auto Industries' Q4 FY24 Earnings Conference Call. From the management, we have with us Mr. Arvind Kapur, Chairman, CEO and MD; Kaushalendra Verma, Executive Director; Mr. R.K. Miglani, Executive Director; Mr. Rakesh Sharma, Chief Financial Officer; and Mr. B. M. Jhamb, 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 thank you so much for joining the Rico Auto investor conference. I'm pleased to be here to discuss our financials and we will talk to you very transparently on what happened this year.

My gratitude to all our shareholders, customers and employees for their unwavering support and commitment. This year, we are all aware of the macroeconomic challenges that are there. There is a fluctuation in the raw material pricing. There's a supply-chain disruption that took place because of the Red Sea, that has been happening. So all these things are happening, but despite that we are trying to meet our customer requirements and also stand by our commitments.

Our efforts to expand into, electric and hybrid vehicles is on, that is yielding very good results. We have been able to get more orders from companies like BMW and Toyota and Aisin, etc. And our focus is on spending on the future market, which is the electric vehicle and the hybrid vehicles.

However, this year we faced many challenges, we had promised a target of almost INR 2,600 crores. We did not achieve it this year. The reasons I'm going to share with you. One was the early end of the programs of GKN and PSA. This is in our export program. Both the companies, had told us earlier that these programs will carry on until the end of the year, but they had to stop this immediately.

However, having said that, for GKN, we've already received the new orders, for which the start of production would be somewhere in the middle of the August. Renault Nissan was the other disappointment that we had in India. Their sales in India did not pick up at all and they kept on telling us to retain the capacity and that they will be able to achieve the targets, but that was a total failure.

So as a result of which, we have removed a lot of equipments from those lines and we're going to use them for many other, the new programs that we have and also use them for the capacity

expansion that is required for Maruti Suzuki and the other customers. There was also a delay in start of production for new programs at our customers' end. We were ready for it. We had made the investments but the customers, they delayed the programs. And in some cases, they've delayed it almost about 1 year but now we see some movement taking place there. Despite that, we did manage to recover some sales by getting a better share of business through Maruti and also through Toyota. Toyota, of course, 100%, but through Maruti, we got a better share of the market and sales did go up in Maruti.

We are projecting a conservative revenue growth of 15%. Last year we projected a much higher revenue but this year, we are very conservative on our figures this year. We are very, very confident that we will receive them because in this year, we will also be starting some of the delayed programs of Aisin, which got delayed almost a year. And that will start this year. BMW has, in some cases, started and some of the programs will start by the end of the year. GKN would start by June-July this year.

And we are also expanding capacity for Toyota and Maruti Suzuki. In particular, Maruti Suzuki, we've won more businesses and also got a larger share of the current businesses that we are supplying. Besides this, we have also added new components from Knorr-Bremse, Case New Holland and Piaggio. These are some of the companies that I'm naming here.

As we look ahead, we remain cautiously optimistic. The global automotive market is poised for transformation with advancements in autonomous driving, electrification and connectivity, Rico Auto is well positioned to capitalize on these trends, leveraging our technological expertise and strategic partnerships.

In conclusion, I would like to reiterate our commitment to delivering long-term value to our shareholders. We are confident in our strategic direction and the capabilities of our dedicated team. Had it not been for some of the collapses of our customers that took place this year, our results would have been far better.

And we will go into details before we take the question answer and we would like to talk to you on the details on the events that we have done this year and the cost impact that was there. Rakesh -- my colleague, Rakesh Sharma would be talking about it.

Rakesh Sharma:

Yes. So talking a little in detail about the financials like at consolidated level, we lost around INR 140 crores of revenues. And because of that, we had to bear the loss of gross contribution to the tune of INR 58 crores. However, in spite of that, we have been able to maintain our EBITDA levels and improved a bit. So it is around 50 bps-60 bps, we have been able to improve upon the EBITDA level. The reason for that is that we have made major savings in sales and distribution expenses to the tune of around INR 25 crores. And in repairs and maintenance also, since we have new machines in place and all these expenses were incurred earlier. So this year, we were able to save around INR 10 crores in case of repairs and maintenance also.

Simultaneously in case of power and fuel and sourcing space also, which are variable expenses as far as manufacturing is concerned, we have been able to make major savings. And that resulted in this maintenance of EBITDA level. However, at the PBT level, we lost majorly

because of the gross contribution loss. And apart from that, our costs on account of depreciation and finance costs, these increased. The reason is very obvious in case of depreciation because last year also, we did a lot of capex and last year, during the year, gradually, these expenses got capitalised. But this year, for the whole year, we had to bear the depreciation cost for that. And that resulted in an increase of around INR 7 crores of depreciation.

And in case of finance cost, although we made repayment of around INR 100 crores during this fiscal. In spite of that, we had a lot of savings on that account, but since it was gradual, quarter-on-quarter, we made repayments totalling to INR 100 crores in a year, we had to incur some additional costs on front of the rate increase by the government.

If you remember, last year, regularly, RBI was increasing the rates last year and last-to-last year, but our arrangement was such that, especially in the case of term loans, in many cases, it was earlier when it had to be reset. So we got the advantage of that last year that the rates got reset after a long time, where the arrangement as was for 1 year. In some cases, it was 6 months also. So because of the rate increase, we had to increase this cost of debt.

So this year, again, we are expecting that there will not be much of increase in the interest cost, rather we'll be able to save on both the accounts, one, since we are repaying and this year, again, we will be repaying around INR 90 crores of our debt. And the interest cost also if not going down at least it won't increase. That is our expectation. So that will be good this year.

Apart from these two, costs in manpower also, there is a bit of increase. Although we have been able to reduce our white-collar numbers by around more than 400 person, the headcounts have been reduced and that is going to give us permanent savings. But as far as this year is concerned because it was full and final and other settlements were done. So one-time costs, we had to incur because of that reason at a consolidated level. At a standalone level, around INR 3-4 crores additional costs we had to bear apart from the savings that we could get. And at a consolidated level since our turnover in our subsidiary companies increased substantially reason because of that, in absolute terms, some manpower cost increase was there. However, in percentage terms, it was not much. So that I think explains about our profitability position.

Arvind Kapur:

So we are confident that this year since we will be increasing by a minimum 15% this year and the other thing that we did last year was that we did a lot of cleaning up. There were some very, very small volumes of components that were going as aftermarket for the OEMs, which were on this, the life of which was over by almost about 7, 8 years or 10 years. And the requirement was very low. We were keeping a lot of equipment idle for that. And that also we've surrendered or we have given enough quantities to the customer and been able to spare that equipment also for utilization on the current capacity.

So all the cleaning has taken place last year and you will see that this year, the buzz is absolutely different. The excitement is there and we are very confident that we'll exceed the targets that we are talking of today. And it depends, last year, we could build about INR 4.5-5 crores only. And this year, the orders are much higher, but we are taking a conservative look. We think we will build around INR 50 crores to INR 70 crores this year. And our internal target is, of course, over

INR 150 crores. But in the budget, we have taken only INR 50-60 crores have been taken, yes. That's what we'll take in the budget.

And some of the customers who did not perform last year, mainly Renault Nissan, we are not going by the figures that they have given us. We have taken a conservative view on the supplies to them. But on GKN, on the export front, we are okay because the samples that they approved and the components would start in the month of June and we should be able to come back to the supplies that we were doing for our exports to GKN and BMW and the other customers.

Now we are open to questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Rahil Shah from Crown Capital. Please go ahead.

Rahil Shah: Firstly, how has Q1FY25 been so far? And what are your expectations when it comes to numbers for Q1FY25 apart from you've already said you're expecting at least 15%, you're targeting that and you're confident to achieve. But if you can give a general idea how has Q1FY25 being so far, so we can understand how the year can be? And secondly, also if you can guide us on EBITDA margins for the entire year as well? Those are the first two questions.

Arvind Kapur: See most of the programs start from quarter 2 onwards. In quarter 1 also, there is an improvement in Maruti our supplies to Maruti and to Hero also and to also another customer we've added is Suzuki two-wheelers. So our sales have already started there. And so there's a lot of traction that's taking place. But from June onwards, you will see a big jump that would actually happen. So most of the investments we have done last year and those we will start using from June onwards. And our internal EBITDA margin is plus 12%, but here we'll like to come in at 11.5%.

Rahil Shah: So the corrections which you're expecting will be from June onwards? So the ramp up in, like the jump in numbers will be seen from June onwards. Is that what you're saying?

Arvind Kapur: From June onwards, yes, absolutely.

Rahil Shah: Okay. And you're saying 11.5% for the whole year you're expecting, EBITDA margins?

Arvind Kapur: Yes.

Rahil Shah: Any ups and downs like will it be consistent throughout the quarters or you'll be seeing like to start with maybe a little bit higher...?

Arvind Kapur: At the end of the year, it's probably 12% plus you will see the progress taking place over time. And this is based on the savings that we've already done and incurred this year, mainly on the white-collar front that Rakesh mentioned. And that's the permanent change that has happened. And the power cost savings also there. Solar has also been introduced. The main plants already have solar so there'll be a lot of power saving there also. So most of the actions have been done or are in the process of getting completed.

Rahil Shah: Okay. And sir, what's wrong with the defence orders? You're saying the orders are good for 10 years, but then you're actually saying that you will be executing low also?

Arvind Kapur: We get worried about the defence mainly because we make it ready but then the approval that take time, we're getting used to it. And now since we are in that cycle, this year also our target is above INR 100 crores, but we are guiding you to INR 50-60 crores. I'll let my colleague Ish also talk on this, he's looking after the defence.

Ish: Good evening. Just to add on to what Chairman shared right now, so we are absolutely confident on what we are taking on internally. Essentially, as a target, what we shared which is around more than INR 60 crores is something because of the gestation time of the project. What's happened is in this election year, most of the projects which actually have seen, it takes about two years for the project to be assigned and on financial requirements and then it comes up as a tender.

So most of these are valid tenders which have actually entered the market. And we are the leading players in the tenders we pick up. Those tender, those files for the last two to three months have been at a standstill. And that's the reason from that standpoint only, we've kind of just hedged on the target. Otherwise, internally, we are very confident. We are very confident now with whichever way the results go. It is a continuation. Those products tends to go and we are very, very well poised to move towards that target.

Moderator: The next question is from the line of Varma Datala, who is an individual investor. Please go ahead.

Varma Datala: Hi, everyone. This is Varma. A quick question on the target of this year, the revenue and the profit side. Since last year, we have mostly seen the same theme, right, it's 12% to 15%...

Arvind Kapur: Can you speak a little louder please?

Varma Datala: Yes. Just need some guidance on revenue and the profit side because since last three years, we are expecting to grow 12% to 15%, but mostly actually we haven't done any progress on that front. That is first the question. The second one is on the defence side. Since last couple of years, you are kind of estimating some +INR 100 crores, but never materialized it, right, in the defence side.

To be honest, last quarter concall that we had actually some time in end of February or end of April, more than half of third quarter, you expected that we could get INR 700 crores revenue, right? Repeatedly, asked a couple of times, the estimated revenue being consolidated, it would be around INR 700 crores. But still, we got only INR 530 crores.

So I'm just a bit confused with the guidance actually. Could you please confirm like how much you can expect this year, not statistically just in a general realistic way, how much you can expect this financial year, the total revenue and the margins?

And also on the defence side, do you really need to actually consider any revenue at all from the defence front? Because last two, three years, on the defence side, do we really get anything at all in this year because the last two years, it's not actually that much, right, INR 25 cores, INR 40 cores. We talk a lot about defence, but the contribution was not much, right, in revenues. So

it's kind of giving a wrong signal to investors like me. We expect a lot but in the end of quarter we usually getting disappointed since the last few quarters.

Arvind Kapur:

On the defence side if you look at the tenders which are there or what we are bidding for, so it's quite a very large order that we are bidding for. And in fact, the orders we had received in the month of February, it was a very slow process in getting the approvals and everything. But whatever we could manage we did manage and we are still going through the same cycle.

And many of the products are already lying ready and we are ready to ship waiting for the clearances. So defence is at the moment not under our control but we are pushing it. We are getting into that cycle and mode and also understanding how to handle the people and everyone. So that you will see major results happening this year itself. And every quarter I think we'll show you some better results as far as defence is concerned.

On the other side, last year we had taken an aggressive figure and we were confident that we'll exceed whatever we were promising. And this is absolutely based on the commitment by the customers also. And PSA and GKN, their end of program came in much earlier than whatever was anticipated. Of course, they do compensate us for the early closure. But that portion of our revenue actually came down.

And Renault Nissan, they let us down absolutely. Because in Chennai, our major investment is for the Renault Nissan OEM plant that is there in Chennai. And so this time, we have discounted the sales of Renault Nissan. If they do well the capacities are already in place, we'll utilize those capacities, but we have removed a lot of equipment so that we could divert it to the other capacity where we require to use, where we need comfortable for them. So we are very confident that the figure that we are 15% guidance we're giving you we'll achieve this and we do much better than this.

Varma Datala:

And just for confirmation, like if you remove the defence at all from this financial year, how much revenue are you expecting?

Arvind Kapur:

Pardon?

Varma Datala:

If you remove the defence from this year, excluded defence, how much revenue we're expecting to get this financial year?

Arvind Kapur:

The total figure that we are getting it's close to INR 25-30 crores and for defence we have taken only INR 60 crores in that. So it comes to about INR 2,470-2,480 crores.

Varma Datala:

So basically, we are expecting INR 2,450 crores around it for the financial year, yes?

Arvind Kapur:

Probably...

Moderator:

Next question is from the line of Mohan Kumar who is an individual investor.

Mohan Kumar:

So I just wanted to ask you one question sir that what are your comments on the rural uptake since several other companies are reporting good growth from the rural market?

- Arvind Kapur:** Please come again.
- Mohan Kumar:** So what are your comments on the rural uptake, since several other companies are reporting good growth from the rural market?
- Arvind Kapur:** There is a lot of excitement in the rural market and it is being predicted that bulk of the increase will actually come from the rural market and we are expecting a good monsoon also this year. And so I think the rural market will probably do better, but it actually helps us because then the 2-wheeler market also improved and the low-end vehicles, as cars also go up. So that is a lot of benefit to us.
- And so at the moment, the market looks good even though in some cases, there's extra stock of cars and low-end motorcycles which are lying in the market, but we are hoping that after the elections there will be a lot of traction that will then take place.
- Moderator:** Next question is from the line of Pratik Patel, an individual investor.
- Pratik Patel:** So my question is regarding what is the repayment plans for FY25 and FY26?
- Rakesh Sharma:** During this current year, we'll be repaying around INR 90 crores.
- Pratik Patel:** And next year?
- Rakesh Sharma:** Next year around INR 80 crores it is.
- Pratik Patel:** Okay. And during FY26?
- Rakesh Sharma:** INR 80 crores. Currently we repaid around INR 100 crores.
- Pratik Patel:** Okay. And would you be able to elaborate on the land acquired?
- Arvind Kapur:** Okay. This land we have acquired in Hosur. And this is in Tamil Nadu and very close to the Karnataka border. And this is for one of our customers Toyota they asked us to acquire land to get closer to them, so that they could transfer a lot of businesses of the the components that they produce in their plants to our plants. And so they wanted us to be close by and that's the reason we bought this land.
- Moderator:** Next question is from the line of Bhavesh Shah, an individual investor.
- Bhavesh Shah:** Sir my question to you is what is going to be the capex of the Hosur plant first and foremost? And my second question is about the land bank that we need to capitalize on? Are there any plans for that?
- Arvind Kapur:** We are working on the details of Hosur plant. And there would be a lot of equipment that would be transferred from the Toyota plant itself. So we are hoping that there will be a depreciative price of the equipment that we'll picked up from Toyota. Of course, building, we'll have to construct ourselves, building and utilities, we'll have to make ourselves.

And along with that, we'll also be looking for new components from companies like CSA and TVS, which are very close by there in Hosur. And for that, of course, we will make investments but we are in talks with the customers as to what is their requirement in that. So we are still working that out. But initially, it is the plan for Toyota. So the investment will be mainly in the building and not too much on the machinery side.

And as far as the land bank is concerned, we have been talking to people. If at all, we are saving after all the transfers and everything that will happen, if I save only INR 200-250 crores then I don't think that the Board is going to say yes to that because it's a very large plant to be shifted. If at all the total savings is above INR 500-600 crores, that is after the expenses of transfer, etc. that's the time that we would like to actually do it. And so we are discussing various potential buyers. And let's see what happens. So that's the ballpark figure that I'm giving you. We are in the market but if we get a good saving then only, I think, there would be an interest in doing it.

Bhavesh Shah: Thank you so much, sir. Appreciate it.

Moderator: Thank you. Next question is from the line of Aman Vij from Astute Investment Management. Please go ahead.

Aman Vij: My question is on the defence business. So can you give an update on the fuse business, what is happening with it? There was supposed to be a re-tender that...

Ish: So yes. So on the fuse business, we have been one of the largest and oldest suppliers to one of the DPSUs, which is what we've been doing. There was a massive tender, which was delayed by nearly 4 years. As of this year, it has been given to 2 DPSUs. One of which we are the largest providers for. What is the tender? It has been beyond the tender.

So the requirement is being met by the 2 DPSUs and we are actively engaged. And we see a huge traction on that. We are already in conversations. It's one of the tenders which we've closed in terms of the bid and it should be opened up over the next 1 month. So we will get to know then.

Arvind Kapur: In one of the things I mentioned that whether we win the tender or not, that this big tender that was there which the government finally withdrew, whoever gets it, they will need to buy from us in any case. Because we've got huge capacity to manufacture the fuse housing, etc. So we would be engaged in any case.

Aman Vij: Sure. And just to understand the size of the tender, was it a small tender like a 100,000 fuses? Or was it a very big tender?

Arvind Kapur: No. See, that tender was very huge. The total was I think INR 10,000 crores or something and about INR 1,000 crores a year and spread over 10 years. That is a huge tender but then the government, I think there was so much confusion that was created. And especially when the mindset changes from the PSUs you go into the private sector. So that was a sort of chaos that happened.

So finally, they cancelled the tender. And now, of course, the parameters of fuse is huge, the Government of India earlier were importing some of them but now they don't want to import. It's made in India, totally. And so the tenders it's in lakhs. There are 2 PSUs who are doing it. I think total would be about 0.5 billion put together. That's what they would be producing here.

Ish: There are various splits and that's something which is strategic to the army. It's more from a training perspective because the Indian Army needs training. So like it was mentioned, it is really a couple of lapse, it depends on how we get over quarter but we position ourselves mainly on the machining side, which is a huge, huge market. So the requirement is used by the Army. And on the machining side, we are the number 1 supplier to one of the DPSUs. So we hope to fulfil that requirement over there.

Aman Vij: Yes. Sorry, just one clarification. So yes, there was this big tender of INR 10,000 crores or INR 6,000 crores. But you also talked about just now that in the next 1 month we are expecting the results of the tender, which is...

Arvind Kapur: Those are apart from the fuses. We have not mentioned the value of fuses also at the moment. But we've taken whatever is in our hand. Like I said, this is part of a training ammunition, which keeps coming up every quarter.

Aman Vij: Okay. This is the range one, not for the fuse, right?

Arvind Kapur: The value we've given you is for the ranges at the moment. Ranges and what's the other thing that -- baffle ranges and container ranges that's a separate product. I thought we are talking about the fuses. Baffled ranges and container ranges.

Aman Vij: Yes, I know you had explained earlier also. So the 1 month, the results which will come is for this training and the range ones.

Arvind Kapur: Some of them are lying ready, so we are ready to ship them. The only thing is approvals and etc.

Aman Vij: Sure, sir. And when do we see some contribution in revenues from this fuse to the DPSUs provider? Do you see something in FY25? Or do you see it only in FY26?

Arvind Kapur: PSUs will have to deliver the fuses otherwise they are incurring very heavy penalties to the government. So they have no choices but to buy them.

Aman Vij: So do you expect some revenue for our company from fuses this year?

Arvind Kapur: Certainly, that will happen. We have not taken into consideration but we are very confident of it.

Aman Vij: Okay. And the big scaling do you see will happen in FY26?

Arvind Kapur: Yes FY26. You'll see the business changing this year itself.

Aman Vij: Okay. And we have chosen only 1 DPSU. We are not supplying to both DPSU, as of now?

- Arvind Kapur:** We are talking to the other one also but we were supplying regularly to 1 DPSU but the other guy would also have a requirement, he wouldn't have a choice but to engage with us.
- Aman Vij:** Sure. And sir, is it an exclusive contract? Or are there multiple suppliers to these DPSU on the same kind of?
- Arvind Kapur:** No. They have multi suppliers but then there's an obligation to buy from the small-scale industry, MSMEs. And so from the MSMEs they lift about 15,000-20,000 pieces at a time. Whereas we supplies are much, much larger figures. And their requirement goes in million then, of course, they don't have a choice.
- Aman Vij:** Yes. In the bigger supply, sir, are there any other peers who are also having tie-up, not the MSME, the small companies is okay. But in big, like we are supplying in big quantities, are there any other players who will also supply big quantities to the DPSUs?
- Ish:** So, it works two ways on a training ammunition cycle, which is really to a quarter in terms of the capacity needed, we are one of the largest on the machining side. And ultimately, on a bid system, which works within the forces, they strategically give it to only two bids or they might have a single bid. So it really is the need of the forces, which determines how many players have picked that up. And that one player which will pick it up is solely based on capacity.
- We are one of the largest bid to actually provide for the capacity, which is needed to sustain this particular order.
- Aman Vij:** Sure, sir. That helps. Final question is on the combined defence side. where do you see our contribution for FY25 and FY26, everything combined? All the products?
- Arvind Kapur:** We have taken a very conservative figure. And what we are saying is that we'll cross INR 100 crores, but INR 60 crores, is what we are confirming at the moment. Otherwise, we should be about INR 120 crores or something. But we are confirming INR 60 crores because last year, the whole thing got delayed and we don't want to end up in the same situation again. And we want to declare whatever we have in hand and what we are confident that would be delivered. And so you'll see it double, triple every year. That's where it will be going.
- Aman Vij:** Yes, FY25, you had answered FY26, do you see this number be like INR 200-300 crores also? Or where do you see FY26?
- Arvind Kapur:** It should be much above INR 200-300 crores.
- Moderator:** Thank you. Next question is from the line of Neha Sharma an Individual Investor. Please go ahead.
- Neha Sharma:** Hello sir. Thanks for the opportunity. I have just one question. So in FY25, what are the factors that will drive in the 15% growth in our top line? Can you just elaborate on the same?
- Arvind Kapur:** It's mainly growth with Maruti Suzuki. There are major components at Maruti Suzuki. Our share of business is also going up. Earlier our supplies to Maruti was just about 5% of our turnover.

We'll be touching around 10%-12% of our turnover them. And then Aisin is the other. It got delayed, but that is going to be a very important customer.

Then besides that, Hero, they've had some issues with some suppliers. And they're diverting a lot of business to us, and that would be another increase that would happen. Then GKN, as the restart of GKN, some of the business at end of life like happened last year, it happened earlier. So that would also kick in by June, July. And besides that, then BMW also kicks in before the end of the year.

These are the new electric vehicle components that actually kick in. Then Knorr-Bremse is another company that we would be supplying to. And Case New Holland is the other company we would start supplying. Piaggio is the company that we'll be supplying the clutches to, we won the order for the clutches there. So all these are adding up now. Suzuki two-wheeler would be another company that we've just added.

And they diverted a lot of components to us. So, these are some of the new businesses that we have won.

Neha Sharma: Okay. Thank you. That's it from side.

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

Arvind Kapur: Thank you so much, and we'd like to apologize for not having met the targets last year, but we are very confident that we'll exceed the targets that we are giving this year. And the profitability also would be much better. The savings have been done this year, and you will see them in the balance sheet in this year. And these are the permanent savings now. And then if you look at the cost of power and cost of manpower and cost of others, everything is under control. The thing is that we need to have a turnover because that contribution actually has all the bottom line. And we are very confident that we will exceed what we are committing today. Thank you so much for sparing the time.

Moderator: Thank you. On behalf of Rico Auto Industries Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.