



“TIL Limited Q1 FY18 Results Conference Call”

August 28, 2017



**MANAGEMENT: MR. ALOKE BANERJEE – DIRECTOR FINANCE & CFO,
TIL LIMITED
MR. GHOSH – GM, FINANCE, TIL LIMITED
MR. SEKHAR BHATTACHARJEE – COMPANY
SECRETARY, TIL LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the TIL Limited Q1 FY18 Results Conference Call Hosted by Asian Market Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing * then 0 on the touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kamlesh Kotak from Asian Market Securities. Thank you and over to you, sir.

Kamlesh Kotak: Thanks, Lizzan. Good afternoon everyone. On behalf of Asian Markets, we welcome you all to the 1Q FY18 earnings conference call of TIL Limited. From the company side, we have with us today Mr. Alope Banerjee – Director Finance & CFO, Mr. Ghosh – GM, Finance; Mr. Sekhar Bhattacharjee – Company Secretary.

Mr. Banerjee, since it has been a year we spoke to the investors. I request for the benefit of the participants if you can provide a brief background about the company, its business, and market dynamics and then we can discuss the quarterly results and the financials. That would be very helpful, sir.

Alope Banerjee: Thank you, Kamlesh. We will do it accordingly. So with your permission, I will start the concall. Good afternoon to all the investors who could make out time and come for this concall. Well, as Kamlesh has mentioned, I think I will proceed in this way. I will slightly give you a background of the company because I understand that there could be some new investors.

Well, this company was formed in 1944 and we were a dealer for Caterpillar at that time and we started manufacturing of crane since 1962. So that has been a pretty long time for our dealership business as well as for the manufacturing business. Manufacturing business is still with TIL. In 2016-2017, the Board of Directors decided that we need to concentrate more on manufacturing and therefore the dealership business was required to be sold off because then the entire management time and dedication would be towards manufacturing. But here there was also another necessity prior to 2016-17, we had two years of bad performance. The company had incurred losses and it was also necessary that in order to bring back the manufacturing segment into the line we sell off the Caterpillar side of the business and the proceeds of the sale would be utilized in reducing the debts of the company and that is what the Board decided and that was exactly what TIL had done. TIL had sold off TIPL, Tractors India Private Limited, 100% subsidiary company of TIL, in 2016-2017 and the proceeds of 350 crores which the company received through sale of the investment was utilized for repaying the debts of the company. The result was that the debt came down progressively in 2016-17 and if you notice, the financing cost for 2016-17 was reduced to 21 crores from a level of 44 crores the year before that.

However with this background, it is also important for the new investors to know the product line that we manufacture in TIL. We have got two plants in Calcutta. One is in Kamarhati which is the mother plant which is about 7 acres of land and another plant is in Kharagpur where we

started this factory in 2011 after having invested 150 crores. This plant was primarily being built for manufacturing road making equipment like crushers, screens, Hot Mix Asphalt Plant, portable mix plant and so forth. But as all of us know that in the road construction, although the government has been mentioning that lot of investments have really happened, but yet we have really not felt the parts of it in the last 3, 4 or 5 years and therefore the plant was being thoroughly underutilized. So what we did in order to use the capacity of the plant and considering that our crane orders were coming into the Kamarhati plant, we started utilizing a portion of our material handling equipment that used to manufacture in the mother plant, we got it transferred to the new plant in Kharagpur which we built as I mentioned in 2011.

The product lines that we cater to or the products that we manufacture today are the mobile cranes and in mobile cranes, there are two categories. One is rough terrain crane, the other is a truck crane and these are primarily used for construction, for pot handling, for ONGC applications, for Oil India these are the biggest customer, Coal India, Larsen & Toubro, L&T so on and so forth. But we also started manufacturing Reach Stackers which is the container handling equipment. If you visit the ports anywhere any port in India, you will find the TIL reach stacker in technical collaboration with Hyster and this business has grown in volumes and around market share in the reach stacker market is roughly about between 60% to 65%. And in the same breath, I think I should also tell you that the losses that the company had incurred and then how did we turn it around was primarily because the customers in the crane division particularly in the truck crane market, they wanted longer booms. I am sure people would have seen a crane and the arm of the crane we call boom, so they wanted longer booms and TIL was not ready to cater to those longer booms. So what happened is between the period between September 2016 to December 2016, our CMD Mr. Mazumdar gave a very stiff target to our Research & Development team in Kamarhati that they need to increase the length of the boom so that it becomes competitive with our competitors who are selling the truck cranes. As a matter of it, our truck crane percentage market share dipped very low, but since January 2017, we have been manufacturing truck cranes with long booms and our marketing man who is the head of marketing & sales since then TIL has been very aggressive in selling of the truck cranes. The only issue that has come up in this stage is the margins, but then we are trying to improve the margins as well because these have been new product lines. If product lines with longer booms have taken a bit of a time in production and as usual, any new item that gets manufactured, the cost will thus stabilize in the first few months, but we are hoping that the cost will now stabilize in the next 3-4 months and therefore the margins should improve also so about the truck cranes are concerned.

Besides this, we also manufacture Hot Mix Asphalt Plant which are primarily used for road construction and crushers, screens and portable plans. So all these are not manufactured in big numbers, in small numbers, but however, they are still being manufactured and our presence in this segment is not very aggressive, but in the crane market, let me also give you a background above 30 tonne or 40 tonne cranes there are no competitors, of course today we have got competitors Sany who is manufacturing, but otherwise people would have to import cranes. The market which went off during 2014-2015 had gone off to Sany and since TIL has introduced

long booms, the crane market has been recovered. In the reach stacker market, it is mainly for the port handling containers and there also, the reach stacker market is looking good. The way we see the things happening is as on date, the order backlog of the company as on 30th of June or as I speak with you the order backlog is 180 crores, people would have seen that the first quarter results has been 78 crores with the modest profit of 2.2 crores and we expect that in this financial year we should hit a turnover of 400 crores plus. We are also looking into export opportunities because export opportunities are likely to increase in the next few years. The reason being that our technical collaborators have now given us a permission to export in Africa and to Middle East countries and also said that if you manufacture a particular type of a crane, which as per the specifications or as per the details that has been provided by Manitowoc, then we can possibly export it to around the world except US because in US, they have a similar crane. So that is also a big opportunity for us and you see two ways we need to tackle the issue.

Firstly, we need to find out plan B so that when the domestic demand increases, we need to see how we can continue and improve the sales of the company and one opportunity would be definitely the export market. The other is which we are also focusing is our customer support business because the customer support business would still be there because even if people stop buying the prime products, the customer support business continues to increase because the machines or the activity that happens, there is a wear and tear, so the requirement for the parts and the services would continue. So this activity will also improve the topline of the company as well as the bottom-line of the company.

Having said all these, I would just briefly share the financial numbers which most of you have seen in the press and we would put it this way that our topline including other income etc. has been roughly about 80 crores and a profit of 2.2 crores. Employee cost, there has been a marginal increase of 13.4 crores vis-à-vis 12.4 crores same period last year. Expenses, there is still a deduction, but here I must tell you that last year in the last financial year if you see, the balance sheet reaches the shareholders and the shareholders must have received, but the analysts may not have got it, but any request from the analyst will send the balance sheet to them. One can see that there has been a significant reduction in terms of the cost that has happened between 15-16 and '16-17. That is because there has been a very conscious strategy drive that has been followed. Along with it is that all unnecessary expenses have been stopped and that process is still on. Therefore, we expect that these would also yield results. On the financing cost part, you have already seen that the financing cost has reduced from 44 crores to 21 crores in the last financial year and there are further strategies to reduce the cost further so that as I mentioned in the last 3 quarters, for the quarterly results we have met profit, but from now on we should see that how to improve this profit.

Just to give you a few financial numbers on the balance sheet, I would like to share with you that EBITDA as on June 2017 is 10.5%, PBT is 2.8, interest cover is 1.7, current ratio is 1.4, outside liability debt equity is 0.8 and return on capital employed is 5.7 of course, based on the 2.2 crores of PBT that we have achieved. So for the borrowings of the company is concerned, as on date it is 73 crores and the current maturity of long-term debt that needs to be paid back

within is 12 crores. So totally is roughly about 84 crores as on June 2017. The inventories and debtors still continues to be on the higher side. The reason being the inventory is higher today as on date is today the inventory is roughly about 200 crores in comparison to 185 crores last year same time, but this inventory will be partly liquidated because of the big order backlog that we have and the targeted turnover that we have for the second quarter.

Debtors also, we are monitoring. We are trying to solve how we can improve debtors. So way forward, I think these two if the working capital can be tackled, I think the company financing cost will further come down. I think with this, I would request the investors or the business analysts if they have any questions, they can place it to me.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Harshvardhan KS from NMV Securities. Please go ahead.

Harshvardhan KS: Sir, our company has this Forex loss which has been happening in last 5 years. So how was it happening as in like is because of the traded goods?

Aloke Banerjee: In the foreign exchange part, we buy for both cases which are required for the manufacturing as well as we buy parts for the trading business, but in the last year we have made a gain on the foreign exchange. So we have been able to cover ourselves and we made foreign exchange profit. Earlier two years, yes, there were losses.

Harshvardhan KS: Sir, there was a 45 crores loss in 2015?

Aloke Banerjee: 45 crores loss on account of foreign exchange, no, I do not think so. That is not the right number you are looking at.

Harshvardhan KS: And also that there was this unrealized loss in foreign exchange which was given as 45 crores, that is why I asked.

Aloke Banerjee: It cannot be 45 crores because the total loss of the company was 66 crores. It could not be because of foreign exchange loss. I think the number has to be relooked. Kindly check on the number please.

Harshvardhan KS: Sir, regarding the order book from CONCOR, what was the number as in like how much was the sales from CONCOR?

Aloke Banerjee: See on the CONCOR, the first order we got was for 20 numbers, which roughly amounts to 42 to 45 crores and thereafter, we got another order for 5 numbers, so totally is 25 numbers we got.

Harshvardhan KS: 45 crores topline?

Aloke Banerjee: 45-50 crores.

- Harshvardhan KS:** Sir, is there any maintenance contract also in that?
- Aloke Banerjee:** We have an operation and maintenance contract also with them.
- Harshvardhan KS:** That is included in the 45 crores or?
- Aloke Banerjee:** This sale price is only the cost of the equipment.
- Harshvardhan KS:** Sir, 35% of the topline is from PSUs right?
- Aloke Banerjee:** 35%-40% would be from the government, you are right and balance 55%-60% would be from the private parties, you are right.
- Harshvardhan KS:** Sir this CONCOR numbers, is it from reach stackers or those are cranes?
- Aloke Banerjee:** No, it is from the reach stackers. You are very right.
- Harshvardhan KS:** And the other part, PSUs, does anything come in the crane segment or everything comes on reach stackers?
- Aloke Banerjee:** No, in the same sources, there are government parties, for instance Coal India could be there, Neyveli Lignite, NLC could be there. All the coal belts, they take cranes from us. Then, there are defense people also who take cranes, Army, Navy. There are lot of government parties there. ONGC and Oil India is also there.
- Harshvardhan KS:** Because the crane segment as such was going down from 2015 like it was 172 crores which has dipped to near 130 crores this year, correct?
- Aloke Banerjee:** On the crane sales only?
- Harshvardhan KS:** Yes, on the crane sales only without reach stackers.
- Aloke Banerjee:** This year, I do not have the number straight away on the crane sales, you are talking of the last financial year.
- Harshvardhan KS:** Yes sir, 17.
- Aloke Banerjee:** Last financial year, I would say it would be similar because you see our topline turnover is almost same except for the customer support business which did 66 crores. If you take out 66 crores from a turnover of 340, it would be 274 and I think you are roughly there. You are correct, it is about 130-140 crores of crane turnover. I agree with you.
- Harshvardhan KS:** Sir after the change in the boom length, are we seeing any improvement in the crane order intake?

- Aloke Banerjee:** That is what I wanted to mention that in the truck crane market, the orders have significantly improved. For instance just to give you an idea, we are planning to shift 60 equipment between now and 30th of September and out of which, about 30 to 35 would be truck crane. So that is a significant improvement.
- Harshvardhan KS:** Like compared to last year like how much of an improvement would that be?
- Aloke Banerjee:** Last year same time, the order intake was not so good because the first quarter, we incurred a loss of 21 crores. In the second quarter, we also incurred marginal losses, but they were never at that level of, I am talking in terms of total numbers of 180 crores. Just to give you an idea, I will just check one number. If it is available, I can tell you straight away. No, I do not have the last year's numbers over here, but I am sure it would be about 80, 90 or 100 crores maximum. It would not be more than that. So I see a significant shift in the order book position as on date.
- Harshvardhan KS:** Sir regarding the 180 crore order book as of now, how much is contributed by reach stacker, how much is the truck crane, can you give bifurcation?
- Aloke Banerjee:** See, I do not have the details straight away. If you mail it to me, I will give it to you. But by the back of the envelope, I would say reach stackers would be roughly about 32 crores that means about 16 numbers and balance would be cranes.
- Harshvardhan KS:** It will be 32 crores, right sir?
- Aloke Banerjee:** Yes, about.
- Harshvardhan KS:** And regarding the margins, which segment gives us the higher margins, reach stacker or the truck cranes and Asphalt mix regarding that?
- Aloke Banerjee:** You see as I mentioned to you, the truck crane market was under pressure because of the long boom etc. So the margins are generally under pressure. The reach stacker margins are also under pressure, but it is not so critical or as difficult as in the truck crane. The rough terrain margins are more or less okay, but what we are trying to do is we are trying to do lot of indigenization by virtue of which we intend to or plan to reduce the cost and that will improve the margin because selling price you can increase up to a particular point and since things are not really becoming difficult in terms of procurement, particularly the imported items and you have seen how the dollar-rupee variation has taken place. So considering all these, I would say that we have also focused in indigenization and we are working on it and we will see how best we can reduce our cost that will also improve the margin. We are hoping that this year there would be marginally an improvement, but next year we should get good improvement in the margins.
- Harshvardhan KS:** But given that rupee is appreciating, would not that be an advantage given like we are getting so much products from outside?

- Aloke Banerjee:** You are right, it is an advantageous position because all imports will be cheaper as of now, but we will also have to see that when the orders have been placed, what has been the terms of the agreement, all these things would also come into play, but by and large, I agree with you and that is why even in the first quarter we made a foreign exchange gain and hopefully in the next few quarters also let us see, we have to balance it out.
- Harshvardhan KS:** Sir regarding the margins, are all three on the similar range or something is about 10% something or below 7% like that, any bifurcation can you give?
- Aloke Banerjee:** We are sure you will appreciate that this is a very sensitive data and information, but they vary from product lines to product lines.
- Harshvardhan KS:** Can you say is there any competitors on this reach stacker or like?
- Aloke Banerjee:** Reach stacker, we have only one competitor Kalmar, but you see reach stacker over the years, when we started, we were I think 25%-30%, 35% market share. Today, we have gone up to 65%. This is the position as on March and by and large, I will just share with you there is another order coming up for 49 numbers of reach stackers in CONCOR.
- Harshvardhan KS:** 49 numbers?
- Aloke Banerjee:** In this financial year. The effect of which will happen in 18-19. So let us see how it works out. We are going to be there and I have been attending the CONCOR meetings personally. So I have been meeting the CONCOR senior officials. There has been improvement in the operation, maintenance part as well. They are now quite satisfied with TIL. So let us see how it pans out. This does not or should not be taken as an assurance that this order is likely to be received by TIL. I am just telling you as a matter of the fact that has happened and we will be quoting and I am sure there will be other people also will be quoting, but let us see how it pans out.
- Harshvardhan KS:** And last question. Sir, is there any land going to be monetized because there was news about that Kamarhati land going to be monetized.
- Aloke Banerjee:** You see, we have got about 265 acres of land in Kharagpur, out of which we have built a plant in that 165 plot and the 100 acres of land of WBIDC which we bought is lying vacant. The plan is that we would set up a factory over there and start manufacturing cranes and reach stackers because as of now, our existing plant is fully chock-o-block there is no place because so many orders are coming in and touchwood, orders are still flowing in. Therefore, we reequipped up factory as quickly as possible. So our plan is to build that factory by within 2017-2018 and start operations by 18-19, that is the plan we have.
- Harshvardhan KS:** So how much will that augment our production by?
- Aloke Banerjee:** That actually would lead to a monthly production, the plan is that it should go to a monthly production between 30 to 35 crores.

- Harshvardhan KS:** 30-35 crores in?
- Aloke Banerjee:** In the monthly production.
- Harshvardhan KS:** Monthly production?
- Aloke Banerjee:** Yes. There was annually you can say between 360-400 crores.
- Harshvardhan KS:** It will increase it by that much or it will be 300-350?
- Aloke Banerjee:** It will increase. I mean, the capacity of the plant would be like that. Capacity of the plant should be 35-40 crores per month.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Sir just coming to the part about this order booking part, if you take the order book position for the month of August, as on August it is 180 crores or for the June, there was some concession? 180 crores is as on event date that is 25th August or for the June quarter itself.
- Aloke Banerjee:** As on 30th of June, the order backlog was 148 crores and as on 23rd of August, the order backlog is 180 crores.
- Saket Kapoor:** And all this is going to get consumed within December 2017?
- Aloke Banerjee:** That is the endeavor, that is the plan, but we have some capacity constraints in the Kamarhati plant. The reason being why we are manufacturing but lot of things get outsourced. Now the outsourced capacity, this is the real spurt in the business of TIL. We have never seen such backlogs. So we are getting equipped, but the small suppliers, we have to also regenerate, we have to give them support in terms of technology, in terms of our people so that they can go and see that they also speed up or put the production in the first track so that is the constraint that we are facing, but however that is our problem, we need to resolve it.
- Saket Kapoor:** Sir, if we take your employee cost part also, as a percentage of sales for an annualized basis, if this 13-14 crores on quarterly basis will be sufficient or with the improved turnover, I might to say that fixed cost and the variable cost part.
- Aloke Banerjee:** You are right. Your 13 crores into 452 crores is quite a good estimate, between 50-54 crores.
- Saket Kapoor:** So whatever the additional turnover that kicks in from now onwards to the December part or the March part, will add to the bottom-line since the fixed costs are going to get covered?
- Aloke Banerjee:** Absolutely.

Saket Kapoor: And sir the raw material part also, how should the investor read into this raw material to the revenue part because if we take the March number, we posted revenue of 100 crores in fact or 109 crores to be very precise and on that, raw material consumption was 45.5 crores whereas for this quarter or even for the June 16 quarter, the revenue is in the vicinity of 80 crores whereas the raw material is hovering around 37-38 crores. We just wanted to understand this mix for the raw material part also sir?

Aloke Banerjee: I understand. I will give you the background to you. When you see the topline, the topline consists of three categories of sales or let me put it 4 categories of sales. One is the rough terrain cranes, one is the truck cranes, one is the reach stacker and the fourth is customer support business. Now suppose the customer support business is higher than the previous comparable quarters, then you will find that the cost of material, that percentage will improve. The cost of material or the contribution percentage will improve because the contribution the customer support is better than the prime product sales. For a moment, you think the customer support business has been flat in comparison to the earlier years and the reach stacker and the truck crane has gone up. In spite of a higher sales, you will find the cost of materials has also gone up. There, you will find the contribution is not nice. So it is a mix of 4 variables, but by and large, you will find that it is hovering between in a band of percentage, but the only aberration you see my presumption would be the number of truck cranes, the number of rough terrain cranes, the number of reach stackers are more or less it hover a particular number, but the customer support sales can really be this year we are targeting, we have a very ambitious target, I do not know how far we will be able to achieve it. Now if you are able to achieve it, then we will find the cost of material in compared to the earlier is less and the contribution is higher. So it is mixture and that is the business model and that is how it is being done.

Saket Kapoor: Sir for this quarter, can you provide us with the mix? How much has customer support segment contributed out of this 80 crores?

Aloke Banerjee: In the first quarter, the sales from the customer support has been 19 crores.

Saket Kapoor: What could be the likely contingent, this is a very niche margin product for us? What could be likelihood for the coming quarters also sir if you can give some ballpark idea?

Aloke Banerjee: This quarter, we are planning for 23 crores.

Saket Kapoor: For the September quarter?

Aloke Banerjee: Yes and the annual target would be roughly about 70-80 crores.

Saket Kapoor: It is 50 crores.

Aloke Banerjee: Because last year we did 66, so even if you take a 20% increase, we should be around 80, that is the plan we have. Let us see how it pans out.

- Saket Kapoor:** But it is more or less, it evenly balances for the quarters I think.
- Aloke Banerjee:** Because you see I have done 19 and I am planning to do 23, suppose if 23 has not been done, I am sure I will achieve 20, discussion. So average if you take 20 into 4, 80 crores should happen.
- Saket Kapoor:** Now sir just removing this customer support segment and just concentrate on the cost and manufacturing part, for this quarter I think this should be the base quarter for this year and going forward every quarter, the number should look much more healthier because if we want to reach that 400 figure by March 18, the remaining quarters in terms of manufacturing must contribute in the vicinity of 80-85 crores. Then only for the March end figure should be consolidated then total sum will be 400.
- Aloke Banerjee:** Saket, it is like this. Think once my turnover for the first quarter is 77, I have an order backlog of 180. For a moment, you think if it is 250 out of 400, I am sitting in August, I have another 7 months to go. So 400 order should come as sitting as on date and mind you, this does not include customer support business orders. No, this does not include because customer support business, we say as soon as it comes, we will execute. So but as on 30th September, there will be some backlog which I am not discussing with you.
- Saket Kapoor:** You were saying right. Sir what I was trying to make was 250 for December is okay in terms of this order execution. So the last quarter is always a big quarter for us, so 150 crores should be then the revenue part.
- Aloke Banerjee:** No, Saket I will put it this way. We have to do more than 250 otherwise 400 by year end will not be possible.
- Saket Kapoor:** This should exceed 250 for December also.
- Aloke Banerjee:** It has to exceed more than to be, otherwise it will not exceed year. It will be very difficult. It will be a challenge. I am not saying not possible, it will be a challenge. Whatever we have to do, we have to do within December only.
- Saket Kapoor:** You have to make a figure by December that this much revenue should be done.
- Aloke Banerjee:** We are still in the process. As I mentioned, two-three things we are trying to do. Firstly, we are trying to indigenize the cost so that our cost of production can come down, that is the first point. Secondly, we are going into our suppliers to this outsourced people trying to help them to increase the capacity, so that whatever hurdles we have faced in the first quarter and in the month of July, we are trying to remove it because there also we will have constraint and then I am affected. So there is a little bit of difficulty. I am not saying it is a very bed of roses, but we are trying to overcome it and hopefully, we should be able to overcome that.

- Saket Kapoor:** Right. So you spoke about the raw material part, you spoke about the employee cost part. Just to get a sense of what the ballpark margins can be for this order book if you could give some ballpark?
- Aloke Banerjee:** I have to watch that out. Saket, this is very sensitive information. As a CFO, I should not be talking about it.
- Saket Kapoor:** No sir, once we are posted for this quarter, definitely we will improve on that because it is the base margin.
- Aloke Banerjee:** I will fully agree with you, 100%, otherwise we will achieve 2.2 into 4, 9 crores of PBT. You have said that but how can I achieve. Last year, we did on a standalone 7 crores. I am saying even then it is good, but that is not the endeavor of the company. Endeavor is to improve the performance of the company.
- Saket Kapoor:** Yes sir. Sir, the GST part is good. How has the GST affected us?
- Aloke Banerjee:** In GST, we have implemented successfully in all the branches, locations etc. The only benefit that we are expecting to get, you must be aware of a reverse charge mechanism. That is going away with the GST. So there also whatever debit was there last year I am going to get the benefit. We are still working on the numbers. Hopefully, that benefit will come to TIL.
- Saket Kapoor:** Sir, what is that reverse charge?
- Aloke Banerjee:** Reverse charge mechanism, what happens is suppose a transporter, our vehicle has not paid service tax at time or has paid the service tax on the reduced rate, I have to pay to make it up to the balance rate or he is paying nil and I have to pay that. So it was out of my pocket, but that has gone with GST. I will explain to you separately, Saket.
- Moderator:** Thank you. The next question is from the line of Apurva Mehta from KSA Shares & Securities. Please go ahead.
- Apurva Mehta:** Sir, I am very old shareholder. I had been contacted you in WhatsApp also. Just wanted to know about this Hyster, how is the export can be achieved and what type of market you see in this export market?
- Aloke Banerjee:** See in Hyster, today we are getting export orders from Hyster for exporting to New Zealand, Australia, Indonesia, Singapore, Malaysia so on and so forth. I thought that this question is going to come up. So person who was Head of the Manufacturing till recently and now he has been given a different portfolio, he is here Mr. Niyogi. So Mr. Niyogi since you have been interacting with Hyster, can you tell the entire audience over here that what is the export opportunity that you see for the reach tackers are concerned. Mr. Niyogi will now speak.

Pinaki Niyogi:

The Hyster export which we are doing, these machines are being branded as Hyster. The export is taking place through the Hyster Asia Pacific Organization. We are not directly accessing the customer. So the Hyster in Asia Pacific are assessing their dealers and they are selling our products. We have an order backlog of 9 machines, out of which 5 machines are going to New Zealand under one order itself, balance are in Malaysia and all. So what we can say is that there has been a significant increase in the export numbers in comparison to the last few years and one of the reasons of increase in the numbers are that the machines have performed very well in international market. Whosoever has taken delivery of TIL built machines and they also had a flavor of the Hyster European built machines. I attended a conference last month in Netherlands and some of the dealers have openly said that the India built Hyster machines are as good as European machines if not better. So performance wise, it has been stabilized very well. Price wise, our machines are competitive plus there are some duty benefits when it is going to places like Malaysia and other places because of the trade agreement between these two countries comparison to European imports. So that is also an advantage for us. So with these things, I see there is a good opportunity for us in the next few years in this market.

Apurva Mehta:

Last year, I do not know how much we exported to Hyster, but roughly it must be like how many machines we exported and what potential do you have? See, today you are doing the orders, we have 9 machines order. What type of potential it is and what type of business we can see going forward, is the steady type of business or what type of because they must be sourcing to us because of various reasons because of cost, because of quality, various reasons must be there. If you are matching the quality of European machines, then automatically we can get huge opportunities from them.

Aloke Banerjee:

You see Mr. Mehta, this is Alope Banerjee. I will try to answer that because I have been involved in two meetings of Hyster. You see the reason for Hyster promoting or placing any order, even in the crane division, Manitowoc promoting exports of cranes has got two distinct advantages. Firstly, it is sold to a dealer, it is not sold through a Hyster dealer or through a Manitowoc dealer and then you will definitely agree with me that this is being done because this express opportunity is coming to TIL because the cost of production or the selling price of TIL is lower than the selling price of a Hyster branded reach stacker which gets manufactured in Netherlands. So what they are doing on top is so we do not know at what price Hyster is selling it to the dealer, number one. Number two, the most attractive proposition is the customer support, the parts and service business will stay with them forever. It is for us, it is only a prime product sale, but so far the principles or the technical collaborators are concerned in terms of Hyster or you speak Manitowoc, they will get the parts and service business for their life. So that is revenue earning, revenue generation model where as of now they are doing nothing except that the orders are being given to us and so far we are concerned, our factories are getting utilized. We are selling it at a good margin than the domestic price. Therefore it is a win-win situation for everybody. It is win situation for TIL. It is a win situation for Hyster or Manitowoc. It is a win situation for the dealer also because he is getting a quality branded reach stacker or a crane at a cheaper price than what he would have got otherwise whether it is manufactured in UK or US. So this is the business model based on which this export development is taking place.

- Apurva Mehta:** Sir, but what can be the size, just a ballpark figure in max 2-3 years, what size can we look at this export can go up to?
- Aloke Banerjee:** I will say by 2020. This morning Mr. Mazumdar had a CNBC television call where he gave a number. So I will repeat the same number, by 2020 Mr. Mazumdar expect that we should be having a 40% export from the total, whatever is the total turnover, out of which 40% should be exports.
- Apurva Mehta:** And even we have a collaboration with Astec?
- Aloke Banerjee:** Yes. We have a collaboration with Astec.
- Apurva Mehta:** So is there an opportunity for us to export through that?
- Aloke Banerjee::** Yes. We are also, see Hot Mix Asphalt Plant which is lying in finished product, we are trying to sell that and we are trying to sell it through Astec. Lot of discussions are going on. Unfortunately, for some reason or other, it has not matured. People who have attended the concall earlier would have heard that this is something which is going on for the last 12 months or so. We are trying our best, let us see maybe in this financial year we will be able to sell this and once we are able to sell, then that market also opens up.
- Apurva Mehta:** So on the domestic front, how is the attraction? How are the orders coming in? How are the talks going on? What is your current run rate of orders coming in?
- Aloke Banerjee:** The orders are coming in at a steady flow. Touchwood I mentioned that and the momentum has picked up in terms of truck cranes as well as rough terrain cranes. The reach stacker order has also increased. The other point is the order backlog number itself speaks of the situation that we are in. The only issue that we have is Mr. Mehta, we have to do the production now, I have to see that my suppliers, my outsource vendors, they also need to increase their capacity and see how best. And our marketing people are saying well, he will get such orders, they are very bullish. I will not quote the words they are telling, but as on date they are very bullish that there will be a constant flow of orders from the market.
- Moderator:** Thank you. The next question is from the line of Vijay Gupta, an individual investor. Please go ahead.
- Vijay Gupta:** Very good results and I think possible turnover of the company.
- Aloke Banerjee:** Right sir, we are also expecting that.
- Vijay Gupta:** Sir, my few questions are when we talk about exports and we are talking about our business to be let us say 40% roughly. Are our marginal exports higher because we are only doing our manufacturing activity for Hyster except our customer support that we get after that?

- Aloke Banerjee:** Right. But you see the business model that we are working in, the purpose is that we have been exporting cranes or reach stackers in ones and twos, but it takes time for the product to establish self in the international market. Our endeavor is that since as Mr. Niyogi just now mentioned a while ago since we are manufacturing quality products at a cheaper price, we expect that these markets will react to this reality and get back to more such orders, the large orders over here. You see the moment we get into volumes, the margins will definitely increase because the volumes will increase, our procurement will increase and consequently, a lot of other economization will start taking place in the plant and based on that, the cost of production will also come down and this is a hidden benefit that the company will get as soon as it achieves the particular number, particular volume. Today, we are just sending our cranes or reach stackers to the various segments in the world so that people know that there is a company which is manufacturing in India and exporting it. At for the present moment, they are going as Hyster branded. So far Hyster is concerned, they are allowing TIL manufactured cranes to be branded as Hyster which itself speaks tremendous of the quality of the product that we are doing. As on date, I agree with you the margins are not so attractive. But for any business model to be very competitive in the market, we need to produce large volumes and it can only happen once if the customer has accepted the brand and the quality of the product. So hopefully in a couple of years from now, this export opportunities should increase and with a better margins.
- Vijay Gupta:** Sir we talked about 180 crores which is there with us ever made the orders and 148 crores which was there at the end of quarter one 32 crore worth of orders are from which product segments, are they from rough cranes or are they from reach stackers?
- Aloke Banerjee:** They are from truck cranes, they are from reach stackers, they are from defense. I forgot to mention they are a big order, a 40 crore order is pending from defense.
- Vijay Gupta:** That is not included in these numbers?
- Aloke Banerjee:** No, that is there, but I forgot to mention that. Then, we have got reach stackers. The reach stackers value, pending order as on 23rd August is 40 crores, order backlog of reach stackers.
- Vijay Gupta:** 40 crores is reach stacker, probably 19 crores was your customer support, and out of this, 40 crores is for 180, can you please throw some light on what others are?
- Aloke Banerjee:** See on the rough terrain cranes, it is roughly about 20 crores. Truck cranes is roughly about 35 crores, defense 40 crores, reach stackers 40 crores and then there are other product mix.
- Vijay Gupta:** Any idea or any outlook that you would like to give on what we expect to close in out of that how much we expect to close in second quarter by the end of September let us say?
- Aloke Banerjee:** You see, I will put it this way. We have achieved 78 crores in the first quarter. We have got order backlog of 150. Endeavor is to reach 400 crores. My sense is that we should be in the region between 70 to 80 crores of billing this quarter March and then third quarter should be a better

quarter because by that time my outsourcing issues which I have as on date should get resolved. So hopefully, it will be better than the first and the second quarter.

Vijay Gupta: So probably the next two quarters, we can look at let us say roughly 130 or 120 or 140, there we total reach...

Aloke Banerjee: If you do not do that, then we will never achieve 400. That is our plan that we have.

Vijay Gupta: So on the question on GST did we see any orders moving from June to let us say July?

Aloke Banerjee: Yes, it has happened. We have certain orders got deferred, lot of people said we will not take delivery, particularly the dispatches that were planned between 23rd to 30th of June, they said that we will now take it on first of July. So certain orders got deferred. They never got cancelled, but they got deferred.

Vijay Gupta: Sir in the last balance sheet, I think it was somewhere mentioned that probably we are looking at bringing in all facilities under one place. So we have some additional land at Sahibabad and as I see from this con-call is already under capacity constraint. So are there any plans of doing something with the Sahibabad land?

Aloke Banerjee: Yes, we have plans. I have mentioned in the earlier con-call also. Our plan is to sell up the Sahibabad land in this financial year 2017-2018 and the proceeds of the sale of the Sahibabad land, a part of it will be utilized for building the plant in Kharagpur. So that is the plan we have, but then it will take a bit of a while because we have I think about 21,000 square meters of land which is to be sold in Sahibabad. So it is a big ticket item, so let us see how fast we can get. We must have a good buyer who has the money to buy and all this. So, that is why it is taking a bit of time, but that is very much in the plan for 2017 - 2018.

Moderator: Thank you. The next question is from the line of PD Gupta from Investors Forum. Please go ahead.

PD Gupta: Sir, first of all, actually all the questions have already been asked by my colleagues earlier. So, I want only one clarification, what is our capacity utilization around at Kharagpur plant?

Aloke Banerjee: See, capacity on a single shape basis is roughly about Rs. 35 crores per month.

PD Gupta: At Kharagpur?

Aloke Banerjee: Kharagpur.

PD Gupta: Actually, our Kamarhati, we are having this constraint of capacity and we are having orders in hand very high. So, what we are doing at Kharagpur plant in case the capacity increases the demand?

- Aloke Banerjee:** No, you have raised a very, very technical query, good that you have raised, it will bring in clarity. You see, Kamarhati has got unionized people also there, so just transferring a product line from Kamarhati to Kharagpur is not very convenient, we have to strategize and then shift it. But at the same time, what we have done is we have transferred our Reach Stacker manufacturing to Kharagpur. We have started doing assemblies, certain assemblies in Kharagpur, so it is not a fully manufactured product that we are doing there, some assemblies are getting done. So, this is keeping the factory utilized. But at the same time our endeavor is to transfer some of the truck cranes gradually 100% to Kharagpur, because that will ease the problem in Kamarhati.
- PD Gupta:** Okay. The unexecuted orders in hand as on date we are having Rs. 180 crores, so that includes that order of nine machines which are for export, that is included?
- Aloke Banerjee:** We have got Rs. 40 crores of Reach Stacker backlog orders which we are going to do. Then there are various small, small orders, all those we are doing in Kharagpur. The truck crane and the rough terrain crane will be manufactured in Kamarhati plant.
- Participant:** No, sir. Actually I was asking, we are having order in hand Rs. 180 crores as on date.
- Aloke Banerjee:** Right.
- Participant:** So, whether that includes that export orders of nine machines which we discussed earlier?
- Aloke Banerjee:** Yes, it includes.
- Participant:** It includes that?
- Aloke Banerjee:** Yes.
- Moderator:** Thank you. We will take the next question from the line of Suyash Kapoor from Kapoor & Company. Please go ahead.
- Suyash Kapoor:** My first question is, how many employees are on-roll of the company?
- Aloke Banerjee:** 1,000 people, roughly.
- Suyash Kapoor:** 1,000 people. Sir, how much money the company spends on research and development of products? Who are your technological partners?
- Aloke Banerjee:** Our technological partner is Manitowoc, we have got Hyster, and we have also got ASTEC as our technical partners, and Mitsui. Last year if you see our accounts, you will see that we have spend over Rs. 4 crores in research and development, because you see we had to design and manufacture the long booms, which I talked a little while ago.
- Suyash Kapoor:** I heard.

- Aloke Banerjee:** So, there we have done. And moreover we are doing a lot of further work on introduction of new model of frames which we are not discussing because it is premature to discuss at this stage, number one. Number two, is also looking to into indigenization of various product lines which is also getting reflected and how to reduce the cost of production, so all these are there. You will see it in the next balance sheet that how much we are spending on R&D.
- Suyash Kapoor:** Sir, just one suggestion. Your plant is in Kharagpur, so does IIT Kharagpur can provide us with research and development, they are fine institute, it is just a suggestion. Are they involved with research and development with the company?
- Aloke Banerjee:** Sir, we have got a plant in Kamarhati, we have got a plant in Kharagpur. The research and development has to be done by the company itself to get the tax benefit. So, therefore, we are there and we have got very qualified engineers. Whenever an opportunity comes, I would like to share with you, the various types of new equipment that we have developed, prototypes, and given to defense. And they unfortunately our orders in bulk numbers have not been placed, otherwise it would have been a different picture for TIL as on date.
- Suyash Kapoor:** Okay. Sir, I have seen one corporate video of TIL where we have seen this **PIXEF** one of your products, there was one session which you had made in the AGM, the products which are manufactured by TIL, that is including crusher, road making equipment, is it possible to make corporate video so that we can get an understanding of what is the actual products and what are the real products which are manufactured by TIL, so that we can know the engineering capacity of TIL. Is it possible to make a corporate video of TIL showing all the products which you manufacture?
- Aloke Banerjee:** Yes, sure. We will do that.
- Suyash Kapoor:** This was a suggestion. Sir, you have mentioned about CONCOR, please throw some light with respect to the nature of contract, the product supplied to them. If you can be kind of enough if you can throw some light on it?
- Aloke Banerjee:** We have supplied the Reach Stackers, which is our prime product to CONCOR and there is an operation maintenance contract with them that is the machines have to be made available to CONCOR people. And every day for all the Reach Stackers we get two hours of maintenance. So, within that two hours the up keep of the machine, whatever has to be done has to be done. So we have got engineers, we have got technicians, we have fitters, we have got helpers, we have got supervisors, and it is all mentioned in the contract that for each Reach Stacker how many people we should have. So, based on that it is being maintained. And since, as I mentioned to you, that I have been attending these meetings, we have seen that they are quite happy now with the services that is being provided by TIL.
- Suyash Kapoor:** Okay. Sir, you mentioned categorically that order backlog is Rs. 180 crores, who are your customers of the Rs. 180 crores, who are your customers?

Aloke Banerjee: For the truck crane it would be all your private customers, retail customers. I do not have the customer list with me right away. For the rough terrain cranes it will be more from government, for instance it can be NALC, it can be Neyveli Lignite, it can be Coal India subsidiaries. There could be private contract as well for instance Megha is there. There are a lot of other customers from whom the orders have come in. I do not have a list of the customers, next time I will see have a list.

Suyash Kapoor: I got a fair idea that there are variety of customers, so the risk is less. If you lose one or two customer also revenue will be there, that is what's our intention of my asking you this question.

Aloke Banerjee: Plus we have got defense, we have got a lot of defense orders also.

Suyash Kapoor: Yes, defense, that was my next question sir. I have been fortunate enough to attend the AGM and I should appreciate the entire management, including you and Mr. Mazumder, that they have been very kind enough to explain each and every thing for the benefit of the shareholders. And that will go ahead and company will be respected because of the corporate governance which it is showing, and we should appreciate it. And I thought this was a forum to appreciate. Now, the question is, management bandwidth, this is regarding the TIL is entering defense equipment manufacturing and has manufactured the product for Kalyani Group, which was for Sri Lankan army. So, my question is that does the management has that management bandwidth? Because my first question was how many people you are having on the roll that is 1,000 people. Now you are manufacturing into rolling, construction equipment, you are going in a big way, and then you are also going into defense equipment. So, do you have that necessary management bandwidth? This was my question, if you can kindly answer that.

Aloke Banerjee: You have absolutely talked of a very good point, I will appreciate this. And thank you very much for your good wishes. Let me tell you that while I am talking, however there is a constraint in the plant because of the outsourced capacity and outsourced utilization, we also are looking internally that how we should strengthen our management band and with the Mr. Mazumder personally looking into this. We have got a Vice President HR who has joined us from Exide Industries and is helping Mr. Mazumder in recruiting senior people in the organization, so that achieving the turnover that we are talking of. And we are talking only of 2017 - 2018. And if this momentum continuous then we really do not know how the sales will come in 2018 - 2019, and the company has to be geared up for that. And for that purpose we are all getting geared up and we are also strengthening the bandwidth so that we are able to deliver. We do not want to enter into a situation where we are unable to deliver, because either we do not have the bandwidth; or two, we do not have the capacity, because that in my language would be criminal.

Suyash Kapoor: Yes, that is true. That is why I am worried that you are entering such a huge opportunity like road construction equipment, by September Mr. Gadkari, the manner in which he is speaking and the amount of quantum orders he is giving, we will not have the people to supply and execute that order. That is why this question was asked. Sir, last question is regarding solar plant

installation. You mentioned that in Kharagpur you are going to install solar plant. So, sir, what is the view on it? If you can please throw some light on it sir kindly.

Aloke Banerjee: We have got Deloitte Monitor who is our strategic advisors, and I am going to have a discussion with them in the afternoon on the solar thing. We are very aggressive on this, and we will set up our plant because then our cost of electricity is going to come down drastically. There were two ways to it; one, whether we should go on rental basis or whether we should outright purchase it. So, exactly that is the discussion I have got lined up in the afternoon. And after that discussion it will be more fruitful. But let me tell you our endeavor and focus would be to go ahead with these project at the earliest. Now, this is very broad statement I have made, we have to work out the integrities, we have to work out the details part of it and let us hope that we are able to implement as quickly as possible, because I see a potential saving if we do this.

Moderator: Thank you. The next question is from the line of Harshavardhan K. S. from Nayan M. Vala Securities. Please go ahead.

Harshavardhan KS: Few follow-up questions, can you give can idea on the defense contract as like the Rs. 40 crores order?

Aloke Banerjee: On the defense contract, we have Mr. Niyogy who has been dealing with the defense people. If you can tell them what are the sort of orders you are getting, order backlog.

Pinaki Niyogy: For defense primarily all our orders are missile handling systems, so we have orders for Aakash missile handling system, we have orders for Pinaka missile handling system.

Aloke Banerjee: No, let me clarify. It is only the handling system, we are not manufacturing missiles or something, because it is defense thing, it is a sensitive data, so all of you who are listening should realize it is only the equipment we are developing, or the equipment we are manufacturing and selling. And behind that, I mean, these are primarily the requirements of the defense because in the past we have developed a lot of products and TIL has been branded as one of the prime supplier of sophisticated equipment. Since these are sophisticated equipment so therefore, this is the plan. Further details on these would be available on personal request.

Harshavardhan KS: Okay, sir. Sir, this product are from which plant, as in like they come from which segment, crane segment I mean crane segment or the other ones?

Aloke Banerjee: No, they come from the Kharagpur plant, not from the Kamarhati plant.

Harshavardhan KS: Okay, sir. Sir, is there any rental business of the company?

Aloke Banerjee: Sorry?

Harshavardhan KS: Is there any rental business of the company?

- Aloke Banerjee:** No, we do not have any rental business.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Yes, sir, just a very small suggestion. Sir, for the order booking part, first of all, we have an order backlog for Rs. 180 crores. This data can be updated at the Stock Exchanges for the benefit of all shareholders whoever were not even participating to this con-call will get an idea of what the order backlog is about. And for the future order intake is it feasible for the company to...
- Aloke Banerjee:** No, I will discuss with Mr. Sekhar Bhattacharya and you give us a call may be a week after next, because next week whole I am travelling. So, a week after next we can touch this, okay?
- Saket Kapoor:** Yes, sir. Both the points. And I just wanted to dwell on the fixture part which was displayed at the company's workshop there. If you could display the potential of this carry crane, I think the 10 ton or 15 ton that the person was there explaining us, what is the market we can look into? Because the person there was explaining is that HYDRA-VI model has been phased out from the country and now we have a good potential to enter into this market, the ticket size of the crane being Rs. 40 lakh - Rs. 50 lakh. So, just if you could dwell something on that?
- Aloke Banerjee:** Yes, I am requesting Mr. Niyogy, he will talk on PIXEF.
- Pinaki Niyogy:** As you rightly said that the HYDRA's have been banned, rather people are phasing out the HYDRA machines because of the unsafe nature of the machines. Now the fixture is actually a few generation ahead, because it has been patented by us, no other company are able to manufacture these kind of concept machines. And it is a taking some time to have this product to be established in India. There are a couple of hiring companies, you must be knowing that company like ITD Cementation they have almost standardize fixture. India range, they do not buy any other pick and carry cranes. In the month of December we have a plan to launch another version of fixture there is an exhibition and we will launch a product there and it will have front steering version, currently the steering in the rear. So, I think with these two different products going into the fixture product line, one is the front steer and another is the rear steer version and the new version also will be slightly cost effective. With this, I feel that the pick and carry market which is close to 8,000 machines market, some significant amount of market share we are expecting in the coming few years.
- Saket Kapoor:** You said that ITD Cementation is your customer, they have already obtained crane from you?
- Pinaki Niyogy:** They have standardized PIXEF as their pick and carry range, pan-India operations.
- Saket Kapoor:** So, just wanted to understand what kind of opportunity they are offering ITD Cementation in value term?

- Pinaki Niyogy:** The total market, as I mentioned, in pick and carry segment is close to 8,000 machines. And this particular fixture being in the niche segment, so I expect that within a few years' time the annual production quantity should be to the extent of 200 numbers a year.
- Saket Kapoor:** No, sir I missed the point, Its Cementation are they obtaining this product or you were telling something else?
- Aloke Banerjee:** Yes, they have placed on us.
- Pinaki Niyogy:** They are placing bulk orders on us for PIXEF.
- Saket Kapoor:** Okay. And what is the latest orders from them, how many numbers?
- Management:** See, PIXEF we have got an order backlog of Rs. 4.5 crores which means roughly about 15 machines.
- Saket Kapoor:** And sir, just last point before I log out. Sir, for the March 2017 numbers, the revenue was Rs. 109 crores for the customer support part, could you give the break-up for that quarter, sir how much was for the customer support?
- Aloke Banerjee:** I do not have it straight away, I will send it to you.
- Saket Kapoor:** I will collect it. Sir, thank you for giving the opportunity. And sir, please make it as a continuity also so that we get the opportunity for the con-call every quarter, please try that.
- Aloke Banerjee:** To all my friends over there, in order to have a con-call, the performance of the company also matters where we can come and talk. Otherwise like 2014 - 2015; 2015 - 2016; what we could have said on con-call, tell me? We are not making money, we are making losses, you would not have felt encouraged to speak. Now we are seeing good thing, so we will discuss. Hopefully yes, what you say I agree with you, hopefully we should be making, and therefore we should have a con-call every quarter, I fully agree with you.
- Saket Kapoor:** Continuity should be there.
- Aloke Banerjee:** Yes, sure. I appreciate.
- Moderator:** Thank you. Ladies and gentlemen, that was the last quarter question. I now hand the conference over to Mr. Kamlesh Kotak for his closing comments.
- Kamlesh Kotak:** Yes. Before that, Mr. Banerjee, a couple of points if you can just help us. How much CAPEX have you lined up for this year and next year sir for the expansion as you mentioned?
- Aloke Banerjee:** See, for this year we have lined up about Rs. 50 crores because to set up the plant in Kharagpur and next year would be the spillover from Rs. 50 crores which is roughly about another Rs. 30

crores. So, that is the basic thing that we will be investing in the plant and machinery and the building for the new factory.

Kamlesh Kotak: This is FY 2018 - FY 2019?

Aloke Banerjee: FY 2017 - FY 2018 and FY 2018 - FY 2019.

Kamlesh Kotak: Okay, FY 2017 - FY 2018 you start this Rs. 50 crores and that spillover will go in FY 2018 - FY 2019?

Aloke Banerjee: Roughly about Rs. 30 crores.

Kamlesh Kotak: Okay. Secondly, sir just, can you help us understand out of this order book you had mentioned, anything is there from defense out of this Rs. 180 crores or it is still not part of it?

Pinaki Niyogy: Defense is roughly about Rs. 40 crores.

Kamlesh Kotak: Defense is Rs. 40 crores out of this, okay. And sir, how you see the ordering, if any, from Oil and Gas, refineries we understand are looking for more major upgrade and CAPEX for that and the Coal India side, if you can just share if any traction you see there?

Aloke Banerjee: Yes. You see, previously, we used to sell directly cranes to Oil India, ONGC. But now, they have outsourced the job to their contractors. And the contractors are very bullish, I think one point you all will appreciate and understand that today it is almost like a car, their retail markets they are coming to our plant and saying we want two of these cranes. Now, two of these cranes are not in the finished product, we have not gone into that model, but they want it as if yesterday. So, we also have to see and hopefully by the time the new plant comes into place we will have finished product just like in automobile the cars are ready in the plant people would come and take it. The model is changing, so far the retail market is concerned. And why it is changing and how it is changing is because ONGC, Oil India, when they are placing the orders on the contractor they are giving them a term that by within three months - six months your machines have to be visible and operating, then only the contract is awarded otherwise penalty gets imposed. So, they are also very skeptical and that is what is a discussion and the dialog exchange between the hirer or the contractors and our self. So, we are also gradually changing our business model. But today, it is a bit of a constraint, the reason being that today we are unable to meet our 180 the backlog that is there, first we need to resolve that and then we come to production for the retail. So we will work out. But I am sure that once we set up the new plant all these things will be addressed. And how much would be Coal India order sir, out of this total and how has been the pipeline there?

Aloke Banerjee: Kamlesh, we are not having that figure. I have to check, I do not have the customer wise detail. Next time I will keep it.

Kamlesh Kotak: Sure, all right. Okay, sir, thank you very much for providing all the insights and detailed discussion on the company's business and the financial performance, sir. Any closing comments you have to make?

Aloke Banerjee: Well, I would only place it this way. I think 2014 - 2015 and 2015 - 2016 had been very difficult years for TIL. Hopefully, we will not face that path once again. But let me tell you 2017 - 2018 the way internally we are looking at is we are consolidating our position. I would request everybody that let us not hope very high numbers in terms of profitability, let us stick that we are making money. And the moment we have made this year as a stabilized year the profits will come in the subsequent years. In the past, it has been demonstrated that in 2005, 2006, 2007, 2008, and 2009, the crane division itself used to make so much of money, unfortunately because of the investments that we did in the new plant at Kharagpur and also for the last couple of years when we made huge losses, the market dynamics were changing and we have not adhered to those dynamics. But today we are very much there, all the customers who had gone away from TIL are now back into the markets. Some of the customers have mentioned to Mr. Mazumder where were you when the long booms were being supplied by your competition. So, we have learnt a very tough lesson and we want to gain our knowledge through that lesson and hopefully in the years to come we will see. But I would sincerely urge you let us make 2017 - 2018 as a year of consolidation, let us not expect too many things from a company which has incurred huge losses for the two years. If we are able to consolidate our position this year, I am sure in the years come the company will make significant profits and all the investors and shareholders and business analysts, everyone, and including Mr. Kamlesh Kotak will be happy with us.

Kamlesh Kotak: Great, sir. That is very useful. Thanks a lot, sir. And with that, we conclude the call. Thank you, everyone.

Aloke Banerjee: Thank you, everyone. Bye.

Moderator: Thank you. Ladies and Gentlemen, on behalf of Asian Market Securities, that concludes today's conference. Thank you for joining us. And you may now disconnect your lines.