



# PRITIKA AUTO INDUSTRIES LTD.

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## “Pritika Auto Industries Limited Q4 FY’23 Earnings Conference Call”

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**MODERATOR:** **MR. RUPESH REGE – ADFACTORS PR PRIVATE  
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**Moderator:**

Ladies and gentlemen, good day and welcome to Pritika Auto Industries Limited Q4 FY23 Earnings Conference Call. This conference call may contain forward looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements and other guarantees of future performance may involve risks and uncertainties that are difficult to predict.

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 this conference call, please signal an operator by pressing star and zero on your touch tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Harpreet Singh Nibber, Managing Director from Pritika Auto Industries Limited. Thank you and over to you, sir.

**Harpreet Singh Nibber:**

Thank you. Good evening everyone and welcome to Pritika Auto Industries' maiden Earnings call for the fourth quarter and full year ended March 31, 2023. I would like to begin by expressing my gratitude to you all for taking out time to join us today. I have with me on call Mr. Narinder Kumar Tyagi, our Chief Financial Officer and Adfactors PR, our Investor Relations Team.

We have shared our results, update, presentation and media release. I hope you all must have received it and gone through the same. Since this is our maiden call, I would like to share brief insight about our company, some recent developments and industry scenario before we get into business and financials of Q4 and FY23. The past year has been very eventful for Pritika Auto Industries. Despite headwinds from various macroeconomic factors and volatility in raw material prices, the company has sustained well and grown during the period.

As you all must be aware, the tractor sector is largely dependent on agriculture industry and government incentives. At the same time, we have been witnessing growing demand for tractors from certain other sectors as well. On the back of good monsoon, agriculture was healthy during this year and secondly because of good prices of agriculture products leading to good demand for tractors. The OEMs we cater to continue to rely on us for our execution capabilities, namely consistent quality and timely deliveries. Additionally, we also witnessed strong demand from the commercial vehicle sub-segment which helps us reduce our dependence on tractor market.

Overall, we repeated record volume sales during the year with the second quarter reporting our highest ever quarterly volumes. This is indicative of the rise in demand from the tractor and commercial vehicle market which gives us positive outlook. We also have been able to improve our revenue realization per ton. As mentioned in the past, we are expanding our production capacity to prepare for the anticipated rise in demand. During the second half of the fiscal, we successfully completed the IPO for our subsidiary Pritika Engineering Components, thereby raising INR9.5 crores.

The response from the investors has been overwhelming with the issue being over subscribed by nearly 150 times. The successful IPO is a testament to the strong fundamentals of our company and the confidence that investors have in our growth potential. The proceeds from

the IPO are being utilized to fund capacity expansion and product diversification which are essential to our long term growth strategy. We are also strategically focusing on higher weight products since they typically fetch better margins.

This is reflected in our EBITDA per ton which has grown steadily through the year. As part of our strategy, we continue to invest in research and development to ensure that we remain at the forefront of innovation in the industry. We are confident that our investment in new technology and products will enable us to maintain our competitive edge and continue to drive growth in the future. Our long standing relationship with our customers also enables us to navigate through the industry cycle successfully.

In March 23, the Shareholders passed a resolution to raise about INR30 crores through preferential warrants at INR19. I am happy to state that first tranche of 25% money has already been received through subscription. The funds shall be used for enhancing capacity and for which we have already identified certain end use. Now to give a brief background about Pritika Auto Industries incorporated in 1974, Pritika Auto Industries has emerged as one of the leading manufacturers of tractor components in India.

With nearly 50 years of excellence, we have established ourselves as a leading and reliable brand in terms of manufacturing, machine casting and automotive components. As a quality driven organization, we produce world class components from modern facilities. Our manufacturing facilities are situated in Dera Bassi, Hoshiarpur, Punjab, Tahliwal, Himachal Pradesh. We have a total capacity exceeding 50,000 metric tons per annum as of FY23. Catering primarily to tractors and commercial vehicles, we focus on expanding and diversifying our product portfolio.

The company manufactures a wide range of products such as axle housings, wheel housings, hydraulic lift housings, end covers, plate differential carriers, brake housings, center blocks and crank cases among others. We are one of the biggest components buyers in the tractor segment of the automotive industry in India and have a long standing relationship with most of our leading OEMs in India like M&M Swaraj, Swaraj Engines Limited, TAFE, Escorts, SML Izuzu, TMTL, Ashok Leyland and New Holland Tractors India.

The company also exports casted products outside India. Our vision is to provide products which meet customers' quality requirements in a timely manner and at competitive prices. Now on the overall industry, the Indian tractor industry grew substantially in FY23, producing about a million tractors, million units for the first time ever and also giving highest ever domestic sales. Financial 23 saw 12% growth in domestic tractor volumes with 9,45,000 tractors compared to 8,42,000 in FY22 according to Tractors Manufacturers Association. The domestic volumes of 9,45,000 units in FY23 are the highest ever for the industry.

The previous peak was achieved in FY21 which was 8,99,000 units. The full year growth was aided by strong increase in wholesale volumes in Q4 FY23 with OEMs building up inventory in anticipation of healthy sales during the Rabi season. Moreover, as per industry reports, India's auto component industry is expected to reach USD\$200 billion by 2026 and aftermarket of the industry is expected to reach 32 billion.

The growth will be backed by strong export demand which is expected to rise to an annual rate of 23% to reach USD 80 billion by 2026. The growth of global OEMs sourcing from India and the increase in designation of global OEMs is turning the country into a preferable designing and manufacturing base.

These trends indicate the optimistic outlook for companies like us. Looking ahead, we anticipate the demand of our products will remain strong, driven by growth in tractor and commercial vehicle industries. We will continue to leverage our strengths in manufacturing, customer service and innovation to capitalize on these opportunities and drive further growth. Now coming to the financial performance, fourth quarter, 31<sup>st</sup> March our company achieved a net revenue of INR88.2 crores which was an increase of 54.7% year on year.

During the quarter there was a price reduction by OEMs on account of volatile raw material price. The reduction of both Q3 and Q4 was adjusted during the current quarter leading to pressure on our margins. EBITDA was INR8.9 crores as against INR7.13 crores in FY22. Profit after tax was INR2.7 crores which is an increase of 19.75% year on year. Basic EPS stood at INR0.30 in Q4. For full year, production volumes for FY23 were at 39,116 tons as against 32,353 tons driven by continued recovery in demand from tractor and commercial vehicle market. Net revenue for the year was INR362 crores in FY23 as against INR271.23 crores in FY22.

Realization pattern increased by 10.4% year on year. EBITDA excluding other income was INR41.53 crores in FY23 as against INR30 crores in FY22. Profit after tax was INR15.69 crores. In the previous year, there was significant other income from one time sale of shares for INR6.56 crores. When adjusted for this, the PAT has grown by 84% year on year. Basic EPS stood at INR1.77. This is all from our side. We can now take questions.

**Moderator:**

Thank you very much. The first question is from the line of Neha Jain, Individual Investor. Please go ahead.

**Neha Jain:**

Hello. Good evening, sir. I just wanted to understand a couple of things. So, about the seasonal fluctuations in the business, related to that, how do we plan to manage that seasonality in our business in terms of volumes and sales?

**Harpreet Singh Nibber:**

Normally, if you see the tractor industry, the sale is during 6 to 7 months only, from April to November. These are the 8 months where the maximum sales happen from one Navratras to Diwali. That is the time when the maximum sale happens. So, rest of the time, what the OEM's does, OEMs builds up certain volumes for the season. So, this is how this industry moves. Now, what happens is that this industry is very good in Q1 and Q2. And it is bad in Q3 and Q4. So, what we are doing is to take care of the volatility in Q3 and Q4.

We are increasing our share of business in commercial vehicles. So, commercial vehicles are very good in Q4 and they are low in Q1 and Q3. So, for Q4, because Q3 is going to be low because most of the plants have their own shutdown and everything. And after Diwali, there is a small lull there and everybody takes a break. So, for Q3, what we are doing, we are

increasing our share of business in commercial vehicles and other segments, what we are doing as of now.

- Neha Jain:** So, sir, apart from tractors and commercial vehicles, then also are we planning to get into the four-wheeler or two-wheeler segment?
- Harpreet Singh Nibber:** No, we are not getting into four-wheeler and two-wheeler because in four-wheeler and two-wheeler, there is hardly any ferrous casting used. Two-wheeler, there is almost nil and four-wheelers have very, very, very small portion in the total buying of ferrous castings. But we are now diversifying more into construction equipment and material handling equipment. That sector, we are moving to that sector.
- Neha Jain:** Okay. So, sir, like you said that Q3 and Q4, there is little lesser sales. I just wanted to understand, since we are into commercial vehicles for those specific quarters, what is the capacity utilization of the plant, is it fully utilized or how is it?
- Harpreet Singh Nibber:** No, overall capacity utilization is around now 80%, 75%-80%.
- Neha Jain:** Okay. Do we see that getting any better, the plant utilization?
- Harpreet Singh Nibber:** Yes, it should get better over the period. Because since we are getting some new orders also and but issue is because of this seasonal thing of the business, 80%-85% is a good capacity utilization. We are trying to improve it, diversifying time into export and other construction equipment, other things. So, we plan to reach 80%-85% this year.
- Neha Jain:** Okay. And, sir, what is the contribution of subsidiary in the overall performance for the full year?
- Harpreet Singh Nibber:** Subsidiary performance contribution is roughly, stand-alone is INR321 crores and gross is INR362 crores. So, roughly INR40 crores is in this.
- Neha Jain:** Okay, INR40 crores of revenues, right?
- Harpreet Singh Nibber:** Yes, in that revenue, yes.
- Neha Jain:** Okay, sir. And my last question, sir, are we taking any steps to improve our EBITDA in terms of cost optimization?
- Harpreet Singh Nibber:** Yes. We are moving into bigger casting, large castings, which have better relation, more value addition. We are moving to more critical components, which give us more value addition, like crank cases, cylinder blocks, those kind of components we are moving into, which give better value-addition.
- Neha Jain:** So, sir, in terms of monetizing it, how much monetary value will it add to our EBITDA?
- Harpreet Singh Nibber:** Ma'am, this is a long-drawn process, because once we start diversifying into product, it takes a few years. But we plan to increase our margins by at least, say, 2%, in the coming two years to three years.

- Neha Jain:** Okay, noted. Okay, sir. Thank you, thank you so much and good luck.
- Harpreet Singh Nibber:** Thank you, ma'am. Thank you.
- Moderator:** Thank you. The next question is from the line of Basant Pandey, individual investor. Please go ahead.
- Basant Pandey:** Good evening, sir. Sir, I would like you to shed some light on the scheme of amalgamation, which is expected to happen, and how will it affect the top line and bottom line and the book value, especially?
- Harpreet Singh Nibber:** Okay. See, this scheme is under almost final stages at NCLT. We were expecting order in last week of March. But you know, because NCLT is heavily loaded, so every time it is getting delayed. I think so, March we got delayed, got delayed in April. April we got on for 17th May. Now it is on 2nd of June, 2nd or 3rd of June. What is, but it is all because, Tyagi ji, if you can shed light on that.
- Tyagi:** 2nd June, sir.
- Harpreet Singh Nibber:** 2nd June. So, it is almost final. There are no objections from any of the department, shareholding meeting and secured credit, everything is done. So, only the government department, that is also no objection we have received from all the departments. So, it is just a formality, which can be done, which should be done, should happen any time. So, maybe whenever it comes up for listening in front of the Judge, I think it should be done. So, we are expecting 2nd June, we should. it should get.
- And with this amalgamation, there will be another 2 basis point to 3 basis point increase in the EBITDA margins and PAT margins also. So, because top line there won't be any major increase, because materials being bought from this unit only and machined and sent, dispatched to the customer. So, there will be a good amount of increase in bottom line and in the bottom line.
- Basant Pandey:** So, top line there will be no real increase, even though I see...
- Harpreet Singh Nibber:** Top line there will hardly say, 5% to 7% increase. I think what, I mean, I mean should I give the number?
- Basant Pandey:** No, I just want a broad idea.
- Harpreet Singh Nibber:** It is a, I mean it is a very, what should I say, so, roughly 5% to 6% increase in the, in the top line.
- Basant Pandey:** That is okay, but our share capital will increase by almost 60%, right sir?
- Harpreet Singh Nibber:** Yes, bottom, but bottom line will increase considerably.
- Basant Pandey:** So, will we be able to pick, I mean...

- Harpreet Singh Nibber:** Yes, we should be very near to that.
- Basant Pandey:** Thank you so much.
- Harpreet Singh Nibber:** Okay.
- Moderator:** Thank you. Next question is from the line of Nikhil Arora from Individual Investor. Please go ahead.
- Nikhil Arora:** Yes, congratulations on a good start of numbers, sir. Sir, actually the commentary was a bit fast, so I couldn't pick the number which you said the amount of fund raised this quarter. If I'm not wrong, it is around INR30-odd crores?
- Harpreet Singh Nibber:** INR30 crores, warrants have been issued, INR30 crores.
- Nikhil Arora:** Okay, so can you throw some light like how are we going to use this fund, like in terms of expansion or product diversification?
- Harpreet Singh Nibber:** Yes, this will be used mainly for expansion. I mean, already we are in under process of expansion. And after it is done, so we are planning one more round of capacity enhancement. And we are in quite advanced stages with our customers for new orders. And so we plan one more expansion in another two years, one and a half or two years.
- Nikhil Arora:** So, sir, are we looking for any further geographical expansion or entry into new markets?
- Harpreet Singh Nibber:** Yes, we are looking for a geographical expansion. I mean, so we are looking at expansion in central India or western belt.
- Nikhil Arora:** Okay. And lastly, sir, any reputed domestic client which we have added recently?
- Harpreet Singh Nibber:** Recently we have added Kararo, we have added MNC. It is based out of Pune. So, Kararo we have added recently. And that is the one we have added recently.
- Nikhil Arora:** Okay. Thank you so much, sir. That's all from us. All the best.
- Moderator:** Thank you, sir. The next question is from Daniel Jacob, individual investor. Please go ahead.
- Daniel Jacob:** Hi, sir. In terms of EBITDA per ton margin, what are your future plans to improve on EBITDA per ton margin?
- Harpreet Singh Nibber:** Sir, EBITDA, like I told you earlier also, we are planning to, we are adding new components which we are adding are with higher value addition. So, that we will improve our margins. And we are moving into big casting, large casting where margins are better. Margins per ton are better.
- Daniel Jacob:** So, I mean, do you have any strategic plan for such expansions?

- Harpreet Singh Nibber:** Yes, we are already in process of expanding. We are expanding, already expanding. A plant is coming up, new plant is coming up. We should be operational by June end of July first week. So, we intend to go for higher value addition products.
- Daniel Jacob:** So, what would be companies likely approach in terms of managing cash and cash equivalents? Because I see, considering, I see there was an increase, significant increase in cash and cash equivalents in FY '23.
- Harpreet Singh Nibber:** Yes. So, it is basically, I mean, it is your business cycle, working capital cycle and cash flow is there. So, we can bring, I mean, financial cost down and those kind of things we can do. But we can, I mean, buying strategy, we can improve, buy material, cash discount and those kind of things we can do.
- Daniel Jacob:** Okay, and you said, in terms of buying strategy, cost will be, you will be helping in reducing the cost. So, how do you plan to do that?
- Harpreet Singh Nibber:** See, our basic round is scrap. So, scrap, if you buy at 30 days price, it comes at a particular price. If you buy at immediate payment, it comes at a particular price. For that matter, any round, which you buy, if you start buying at cash discounts, so, I mean, you get a better pricing in that.
- Daniel Jacob:** Okay. Thank you for that. Last question from my end. How does the company plan to utilize the capital working progress in order to, for sustainable future growth?
- Harpreet Singh Nibber:** How do we plan to utilize working capital?
- Daniel Jacob:** Utilize the, yes, working, yes.
- Harpreet Singh Nibber:** Working capital has to be used for working. I mean, future growth has come through profits and profits via internal accruals, profits and your equity raising for the market or debt. Normally, we don't touch your working capital for future growth. It has to come through your internal accruals, whatever profit you want and whatever equity we raise and combination of, combine it with debt. That is what we do.
- Daniel Jacob:** Okay. Mentioning the debt part, I see that there was an increase in other long-term liabilities from FY '22 to FY '23. So, what was the reason behind such increase?
- Harpreet Singh Nibber:** See, it is because we are expanding and we are adding more capacity. So, that has to come on the book.
- Daniel Jacob:** Okay.
- Harpreet Singh Nibber:** The new plant which is coming up, so that debt is there. For that, that is what capacity expansion only.
- Daniel Jacob:** Okay. Thank you so much, sir. And I wish you the very best.
- Harpreet Singh Nibber:** Thank you. Thank you. Thanks a lot.



- Moderator:** Thank you. Next question is from line of Dhiral Shah from PhillipCapital. Please go ahead.
- Dhiral Shah:** Yes, good afternoon, sir. Thanks for the opportunity. Sir, as you are expanding your capacity, so wanted to know, sir, how much this will increase the overall capacity in terms of percentage? And what kind of capex you have done for this and what will be the, asset turnover in that?
- Harpreet Singh Nibber:** See, the one capacity is green field and some brown field capacity is increasing rapidly. So green field is 12,000 metric tons per annum, say, 1,000 tons per month. And brown field is roughly, we are adding 700 tons per month. So 700, well, it's roughly 8,400 tons we are adding as a brown field. So, I mean, these two we are adding and for this, the capex is, in casting is roughly INR30 crores, another INR15 crores for machine shop. So roughly INR40 crores we are adding.
- Dhiral Shah:** Okay. And so what kind of asset turnover we expect in this?
- Harpreet Singh Nibber:** See, with this INR40 crores, this -- another, say, we plan to add, say, INR175 crores to INR200 crores in next two years.
- Dhiral Shah:** So it is almost 4.5x to 5x kind of an asset turnover?
- Harpreet Singh Nibber:** Yes, almost we can say with the new technology which we are bringing in, this kind of turnover we expect.
- Dhiral Shah:** And what is the utilization of the current gross block?
- Harpreet Singh Nibber:** It's around 80%.
- Dhiral Shah:** Okay, so in that also we are getting that kind of a turnover, sir?
- Harpreet Singh Nibber:** In this we are not getting because this is an old setup is there, started in 97, 96. So we are not getting that kind of turnover, but with the new setup we will get.
- Dhiral Shah:** Okay, so maybe this includes some advanced technology, right?
- Harpreet Singh Nibber:** Yes, yes, yes.
- Dhiral Shah:** Okay, and so what is the content per vehicle, for tractor and for commercial vehicle?
- Harpreet Singh Nibber:** Pardon?
- Dhiral Shah:** What is the content per vehicle for the product we supply to tractor and the commercial vehicle?
- Harpreet Singh Nibber:** See, for tractor, roughly casting is, say, 900 to 1,000 kgs per tractor. For commercial vehicle, it is 1,200 to, say, roughly 1,200 to 1,400 per commercial vehicle, which is a multi-axle vehicle. I am talking about HCV.
- Dhiral Shah:** Okay, so does it include tipper also, sir? Tipper or pure HCV?

- Harpreet Singh Nibber:** Tipper also, you can bring in that category. Tipper is also multi-axle.
- Dhiral Shah:** Okay, and sir, who are the competitors in this space?
- Harpreet Singh Nibber:** Sir, this industry is very, very fragmented. So, I mean, for machine casting, if you see, we are probably the largest in North India. And other players, pan India, we see Nelcast is there, Bhagwati is there, then Shriram Foundry is there, Sound Casting is there, Ghatge Patil is there. These people are there.
- Dhiral Shah:** Okay, sir, are we also focusing on the export side?
- Harpreet Singh Nibber:** Yes, we are exporting. We recently started export around two years back only. And, I mean, the response is good. And we hope that with this China plus one policy coming in, we should have good opportunity in coming years.
- Dhiral Shah:** Okay, so export, sir, particularly in which region, sir?
- Harpreet Singh Nibber:** USA.
- Dhiral Shah:** Okay, so again on the US side, is it a class A truck segment or?
- Harpreet Singh Nibber:** No, no, it is a material handling equipment. Fork lifts and other material handling things.
- Dhiral Shah:** Okay. And, sir, what kind of FY '24, FY '25 growth are we envisaging, sir, with this new capex and the overall industry also?
- Harpreet Singh Nibber:** We plan to increase 15% year-on-year.
- Dhiral Shah:** And in terms of the EBITDA margin, you talked about 200 to 300 bps improvement in next two to three years.
- Harpreet Singh Nibber:** Yes, yes, with our new plant coming, we plan to improve it by 200 basis points in next two years.
- Dhiral Shah:** So, will this, sir, again help to increase the overall content per vehicle or the content per vehicle will remain the same?
- Harpreet Singh Nibber:** The content per vehicle, I mean, that is for the customer. We can, for our capacity utilization, yes, we go into bigger casting, so we give more, I mean, variety of components from one single unit. So, that will increase our content per vehicle also.
- Dhiral Shah:** Okay, so does it, sir, so our new capacity includes new product or it's a replacement of the existing product?
- Harpreet Singh Nibber:** No, no, no, it will go for new product, not replacement.
- Dhiral Shah:** Okay, and sir, we do machining also in house or we do machining outside?

- Harpreet Singh Nibber:** Machining also in house, machining also in house. We are basically machinists, foundry for us was a backward integration.
- Dhiral Shah:** Okay, and sir, what is the overall machining, contribution to the total revenue?
- Harpreet Singh Nibber:** If you see, machining value addition is less. I mean, machining value addition is roughly, should be around 15% to 20%.
- Dhiral Shah:** Okay, and so with this new capacity, are we looking to increase the machining price, sir?
- Harpreet Singh Nibber:** Yes, yes, we are machining price.
- Moderator:** Thank you. The next question is from the line of Neha Jain, individual investor. Please go ahead.
- Neha Jain:** Sir, I just have couple of follow-up questions to the previous question. So, sir, you mentioned about couple of the competitors in the market. I just wanted to know what's our market share in the industry?
- Harpreet Singh Nibber:** I mean, this we cannot say in the industry, because it's a very, very big industry, very huge demand. But whatever components we give to a customer, our target is that we have minimum 30% share of business for that particular component, for that particular plant of the customer. So, I mean, if you see, our main product is Axle housings.
- For Axle housings, our, I mean, if you see, as a complete, full of India, full India, we have roughly 25%-26% market share in that. For, if you see M&M, their plant in Pantanagar, we have roughly 85% market share. Similarly, for others, for Tafe, for their Bangalore plant, our share of business is almost 50% for that plant.
- For Swaraj Tractors, for their, this plant too, where we give, our share of business is almost 70% over there. So, I mean, this industry is very, very fragmented, and this is very, very, very, I mean, the number of places is very large. But yes, for our products, whatever we do, we ensure that we have at least 30% for that product, for that customer, for that plant, and minimum 30% share of business should be there.
- Neha Jain:** Okay, okay, sir. And sir, you also mentioned about exports just right now. So, sir, do we have any split as to how much exports and domestic exports?
- Harpreet Singh Nibber:** As of now, as of now, it is miniscule. We are exporting roughly, say, 80 to 100 tons a month.
- Neha Jain:** So, in the next couple of years, what is the target of export?
- Harpreet Singh Nibber:** Our target is that we should reach at least 10% of our total, total tonnage. Next two to three years.
- Neha Jain:** Okay, got it, sir. And sir, can you please throw some light on the lost foam technology that is going to be used in Pritika Engineering, and how will it impact the PAT margins?

**Harpreet Singh Nibber:** Lost foam is a technology, ma'am, which was developed in Europe in late 60s and 70s. So, this technology was developed for critical components like cylinder heads and cylinder blocks. So, I mean, they used this technology for 10 - 15 years till early 90s.

Then, this technology, because the foundries started, they started closing the foundries. So, this technology didn't grow over there. But this technology was adapted by China. China took over this technology and then they developed this technology to, they worked on this technology, developed it, and now it is flourishing in China.

China has almost 800 foundries with this technology, lost foam technology. So, we are following this technology for last, say, 10 years. We went in 2012, then we went in 2019 to see this technology. So, I mean, this technology, theoretically, the margins are very, very good. I mean, conservatively, I can easily say that it is at least 300 to 400 basis points more than the existing.

**Neha Jain:** Okay, okay, got it.

**Harpreet Singh Nibber:** So, I mean, it is a, and with this advantage is that, normally, if we go for big casting, when we put a plant for big casting, the minimum investment requires INR125 crores to INR130 crores, INR140 crores. And the capacity created is almost 3,000 tons a month.

With LFT, we can create capacity in lower, I mean, blocks, say, 500 tons, 1000 tons per month, and then grow, grow it slowly. So, that is the advantage of this. And capital investment, so capital investment becomes very less with this.

**Neha Jain:** Okay, got it. So, what is the investment that we might have done for this technology, capex?

**Harpreet Singh Nibber:** This technology, roughly, we are doing is INR25 crores.

**Moderator:** Thank you. As there are no further questions, I now hand the conference over to Mr. Harpreet Singh Nibber for closing comments.

**Harpreet Singh Nibber:** I would like to thank you for taking time out and attending this call. I am also thankful to each member of Pritika family, as well as our clients, creditors, banks, financial institutions, and all other stakeholders. For any other further queries or comments, please get in touch with our investor relations team at Adfactors. Thank you. Thanks a lot, everyone.

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