



06 November, 2024

To,
The Manager- Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, Block-G,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400051
Scrip Code: BAHETI

Sub: Submission of Transcript of the Earnings Conference Call for the H1FY25 ended on 30th September, 2024

Dear Sir/Madam,

In terms of Regulations 30 and 46 read with clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the transcript of the Earnings Conference Call held on 04th November, 2024 in connection with the Un-Audited Financial Results of the Company for the half year ended on 30th September, 2024, is enclosed herewith and is also available on the website of the Company i.e. on www.bahetiindustries.com.

Kindly take the same on record.

Thanking you.

Yours faithfully,

For BAHETI RECYCLING INDUSTRIES LIMITED

YASH SHANKERBHAI SHAH
JOINT MANAGING DIRECTOR
DIN: 09527701

Encl.: As above



BAHETI RECYCLING INDUSTRIES LTD

H1 FY25

POST EARNINGS CONFERENCE CALL

November 04, 2024 02:00 PM IST

Management Team

Mr. Yash Shah - Joint Managing Director
Mr. Manojkumar Shah - Chief Financial Officer

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, I welcome you all to the H1 FY25 Post Earnings Conference Call of Baheti Recycling Industries Limited. Today on the call from the management we have with us, Mr. Yash Shah, Joint Managing Director; and Mr. Manoj Shah, Chief Financial Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to quickly run us through the investor presentation showing us the business and performance highlights for the half year gone by. The growth plans and visions for the coming year, post which we will open the floor for Q&A.

Over to you, the management team.

Manojkumar Shah:

Yeah. Thank you. Good afternoon to everyone, and thank you to participating in today's con call to discuss the financial results for the half year ended 2024-25 for Baheti Recycling Industries Limited.

With me today is Mr. Yash Shah, the Joint MD. The financial results and related presentation has been already uploaded to the National Stock Exchange for the all individual and investors. Company registered a growth of more than 24% in the revenue from operations compared to the previous half year ended 23-24, and company registered a net profit growth of 137% in compared to the previous half year ended 23-24. Let's go with the questions.

Vinay Pandit:

Yash, do you want to run the presentation?

Yash Shah:

Okay. Myself, Yash Shah. I'm the Joint Managing Director of Baheti Recycling Industries Limited. I'm the third generation into the business. My great grandfather has started this business in since 1956. We're into trading of aluminium, scrap and various non-ferrous scrap.

In 1994, we have established one big plant named Baheti Metal and Ferro Alloys Limited for aluminium recycling and converted into aluminium deox and aluminium alloy. Aluminium deox, we supply to major steel plant, and aluminium alloy we supply it to automobile and electrical components manufacturers and OEMs.

So, this is our journey. As I've told you in 1956, my late grandfather has started the business of trading of various non-ferrous scrap. 1985, my father has joined into the business and he wanted to start something into manufacturing and not only into trading. Then he started with five small plants situated in Ahmedabad at five different locations.

In 1994, as I've told you under the name of Baheti Metal And Ferro Alloys Limited, we have shifted entire five plants and we have converted that five small plants into one big plant. In 2008, my elder brother, who is the Managing Director of the business has joined the business.

In 2016, after completion of my MBA from SP Jain, I have joined the business. In 2018 earlier, we were into manufacturing of ferro alloys and various kind of ferro alloys, silico manganese, low carbon, medium carbon and after that our focus, because of the scarcity of the raw material and because of the off grade raw material in ferro alloys, we have shifted our entire focus from ferro alloys to only aluminium alloy, and aluminium deox.

We have listed ourselves in the year 2022 in the month of December. And by going forward in '24, we have introduced ourself and after the listing, we have introduced ourself to the big players like Ashley Alteams, Uno Minda, Thai Casting Limited. We have recently developed a new buyer, who is the main die caster for Bosch. This is our entire team. My father, elder brother, myself, our CFO, our CEO, and various people who are the strong pillars of Baheti family.

This is our major product aluminium notch bar, aluminium shots, aluminium cubes, aluminium ingot. This goes to steel plant, various wire rods plant and these first four products are only certain to steel industries. And this aluminium alloy ingot, alloy ingot it looks like one product, but it has 100 different types of alloys, which we manufacture and will differently supply to different buyers like Minda Corporation who is into automobile industry, Shriram Piston, Usha Martin fans, Crompton & Greaves, Ashley Alteams and various kind of OEMs and OEMs Tier 1 die casters.

This is the annual highlights, which is self-explanatory. How much land size we have, the employees strength, the capacity, the current utilisation after the addition of capacity and different type of furnaces. These are our major clientele, which we are supplying it to. These are our global presence where we have exported our material.

I like Mr. Manoj to highlight on this.

Manojkumar Shah: We have already uploaded the half yearly financials, and key highlights are already uploaded with our PPT, in which the net sales has grown by 24.4%. EBITDA margin is increased by 114.1% and PAT margin is increased by the 137.7%. EBITDA margin is also increased by 269 bps, and PAT is increased by the 130 bps. And EPS is almost as you would compare to the next year whole financial year, which is the 6.8 compared to the half yearly we registered a EPS of 6.8, which is nearly around the full year's EPS of the previous year.

Company is registered financially a good numbers in this current half year, and looking forward to go ahead with the good potentials of the next half year. And all the breakups is self-explanatory, which is uploaded in the PPT in the National Stock Exchange.

So any questions or if any investor want to ask any questions, then please.

Vinay Pandit: Shall we open the floor for Q&A, Yash?

Yash Shah: We'll run the entire PPT.

Vinay Pandit: Okay. Yash, can you explain this part, please?

Yash Shah: Okay. So this is the revenue breakup and actual production with compared to what our sales into domestic market and into export market with actual production in metric ton. With the product wise revenue, what percentage of revenue is being generated from aluminium deox and what percentage of revenue we generated from aluminium alloy.

As you'll see the revenue or the revenue percentage in the graph on the top right hand side, you will see that there is an increment in aluminium alloy revenue percentage, because as I have told you, that in 2018, we have shifted our focus from aluminium ferro alloys to aluminium alloy, and this aluminium alloys, the players, the buyers of aluminium alloy are the big companies, which usually take time to get registered into. That is why, it is on a steady growth, and we expect this growth to be for the next five years within the same line.

This is the compounded annual growth rate, and this all highlighted into the sales of aluminium alloy which have been increased. This is self-explanatory. Balance sheet is also okay. So this zinc alloy, our major

focus is on zinc alloy and aluminium billets for solar power manufacturers.

Zinc alloy, we have a good advantage to manufacture of zinc alloy, because the buyer for aluminium alloy, the buyer for zinc alloy would be the same as of buyer of aluminium alloy. So, we are registered everywhere in the major OEMs of the major die casters of OEMs. We are registered over there. So we can have that advantage of manufacturing of zinc alloy and sell it to our existing client, which will increase our revenue.

And same, I'll not disclose much on aluminium billets part, because it is under or it is ongoing, but this is only and only for solar power manufacturers. As you have seen that we have entered into new geography of South Indian market. We have a closely talk with Hungary die casters, which is a very big one die casters and even in Turkey, Germany, U.K. As I've told you, our target volume, compound annual growth would be around 15% to 20% for the next coming five years and in the existing year also.

This is an industry aluminium overview, which we have compiled into, and this is the overview of how aluminium market will increase. Everywhere aluminium use has been increased. Car manufacturer are concentrating more on making bodies of aluminium and everywhere, even you'll see that to handle glass is bit difficult, so the bottle of water also is converted into aluminium these days, because of the good property of aluminium that how many times you recycle it, it never lose its properties.

So these are the major market drivers. As I've explained you where the future lies of aluminium. It is everywhere, aluminium would be used. Aluminium is the only metal apart from precious metal gold, which never lose its properties. So in this circular economy, the government is focusing more on circular economy. So the use of aluminium would be more and more, more and more because government focus more on the recycled material rather than harming the environment, because of digging of bauxite, and carbon emissions, and it is playing very critical role in CO2 emission and greenhouse gases.

These are our major certificates, ISOs, and one is under ongoing, which is IATF, Indian Automotive Task Force, which is the highest level of certificate one can have. And in India very few players does have that certificate.

Okay. So Vinayji, I would like that, the floor should be open for Q&A.

Question-and-Answer Session

Moderator: Sure. Anybody who wishes to ask a question may use the option of raise hand. Alternatively you can also drop a message on chat and we'll invite you to ask the question.

Until the question queue assembles can you start by explaining the audience a bit about how your capacity enhancement programme is coming in? And which all industries do you think will utilise these existing capacities?

Yash Shah: Vinayji, can you repeat the question, please?

Moderator: Yeah. One is, can you talk about your capacity expansion programme, right? Which all capacities are coming in, and how much your capacity will become from here, and which all key industries are you looking to sell these capacities into?

Yash Shah: See, as I've told you, this automobile is very huge market. We have never entered into geography market of South India, and we have entered into South Indian market. So after the expansion of our existing capacity, we are running at around 60% to 65% of our existing capacity.

So our next year target is that we achieve this to 80% to 85%, then we'll move towards into our another expansion. Meanwhile, we are into development of new product for solar power. So that will require another plant not into the existing plant. So it is undergoing and we are hopeful that in next six months, you'll get the news for that also.

And as you have seen that Tata Steel is growing, Arcelor Mittal is growing. We have entered into the geography of south, which we have never supplied before. You can say one year, so our additional capacity will cater to the south market as well as the increase in demand for deox product from major steel mills like Tata Steel Limited, Arcelor Mittal Steel Limited.

Moderator: Sure. Anybody who wishes to ask a question may use the option of raise hand. We'll take the next question from Aayush. Aayush, you can go ahead.

Aayush Khanna: Yeah. Thank you so much. So can you tell me how do you source your raw materials to carry out efficient recycling and making it cost efficient? So just try to understand a bit about it.

Yash Sash: So, we personally visit yards. We believe in personal visit in yard in different parts of the world and being the one of the oldest in this industry, we know from where we can get good source of material. And by adding of what kind of material and by taking it from the different supplier, what kind of forte of different suppliers they have.

They have something like, some scrap is forte of some different supplier and another scrap is forte of some different supplier. So we have that bond with them and we personally go. I was there in Europe 20 days back after Navaratri and before Diwali for the sourcing of another yard, another raw material, and we have different indenting agents who looks after this process.

Aayush Khanna: Okay. And can you tell me that why would company buy from you and not from some large players like NALCO or major producers or primary producers?

Yash Sash: See, NALCO is altogether different thing. NALCO is into primary. They are not into secondary aluminium alloy. Because of the cost effectiveness with the same quality that NALCO provides. We produce that kind of aluminium alloy with recycled aluminium with better prices than NALCO. That's why major of this die casters or major of the car manufacturers an OEM, prefer secondary alloy rather than primary alloy.

Aayush Khanna: Okay. Got your point. So can you tell me how is your recycling competitive on pricing terms, and how large is the recycling industry as compared to primary?

Yash Sash: Recycling industry, you can say I'm only manufacturing, this Baheti group manufacturers only 3% of secondary aluminium alloy manufacturing, in terms of total manufacturing of secondary aluminium alloy by we stand at 3%. So the growth of secondary aluminium alloy is increasing day-by-day because of the circular economy which government is adopting, government is setting up a park. We are in closely talk in our association. Secondary aluminium alloy association is in closely talk with the government to set up the park for common recycling process rather than having at individual capacity. Government will provide that facility because of the circular economy and government want to protect the environment. The carbon emission

which primary people generate is, we generate 25% of that carbon emission, what primary people generate. So we have full support of the government in that.

Aayush Khanna: Okay. Got your point, so that's it from my side. Thank you so much, and wish you the very best.

Yash Sash: Thank you so much. Thank you.

Moderator: Thank you. We'll take the next question from Suryansh. Suryansh you can go ahead, please.

Suryansh: So like my question was on regarding hedging mechanism like, when your commodity prices fluctuate. So like do we hedge or like we don't hedge?

Yash Shah: Good question. I'll explain you how we cover ourselves from three, four different angles. One is we do pricing from our exporter on percentage basis. Say, for example, if I want to buy some scrap at \$1,000 and today pricing of LME, I'm talking about in dollars. LME is somewhere around \$2,500, so \$1,000 would be 40% of LME. So what I'll do is, one I'll secure myself from the exporter that I'll buy at 40% of whatever LME would be there at my option till Mundra port arrival.

So that one and a half month would, I've covered myself that I'm feeling that this \$2,500 will go down to \$2,200 in this one month. I'll wait for that period at \$2,200, and I'll book my purchase. One is that. Another is our sales price are either linked with the NALCO prices because NALCO is a government entity and people follow NALCO prices, the benchmark.

So our sales price for deox are linked with NALCO prices and our alloy prices are linked with either with LME or with MCX of aluminium. So we cover ourselves on the sales part also, vice versa on the purchase part also.

Suryansh: Okay. So, like we are able to hedge in...

Yash Shah: Deoxy is natural hedge because, if NALCO would increase this escalation and de-escalation is linked with NALCO, if NALCO would increase the price, our selling price will increase, if NALCO vice versa also. Why I'm telling you it is natural hedge because NALCO takes into consideration of LME to dollar factor.

So whether LME increase or whether dollar increase, NALCO, via NALCO will increase their prices, according to LME and dollar.

Suryansh: Okay. But in between like, after like commodity rights at Mundra port and in between the processing, so there must be some like fluctuation or the like, it's not that.

Yash Shah: Yeah. That is the fluctuation which we'll have to carry.

Suryansh: Okay. So that fluctuation we carry. So like how much is like?

Yash Shah: Hardly for 15 days. So that 15 days we can carry that risk.

Suryansh: Okay. And like another question was like regarding procurement of scrap. So like how we source the scrap and like, when if the business gets bigger, so what are the measures we are taking so that if we expand the plant or whatever we do, then we are secure on the procurement of scraps.

Yash Shah: So, we have good indenting houses, who indents for the exporter as well as for the buyer. So we have that good indenting houses with us who are associated partners or who are associated on who are closely held with us. So we connect to the exporter through them, and we make sure that twice in every year, we visit the yard to the different yard because there's and we have a general international conference called Bureau of International Recycling, Institute of Scrap Recycling International in USA. So we visit there also, so we connect with different good people through different indenting agents.

Suryansh: Okay. And one more question was on like, carbon credits like, government is like, incentivising the manufacturers who are in recycling basically. So, like they can generate carbon credits and trade on the exchanges and generate them. So are we doing that or like, in future is it possible?

Yash Shah: As on date, in India it is not been traded, but in coming next four five years down the line, with the standard of European carbon emissions, even if we have to procure some scrap from Europe or even if we have to sell it locally to the OEMs and die casters, we'll have that carbon emissions per kg. We will not be able to sell about that, and we can trade. If we are achieving below that, then we can trade on the exchanges.

Suryansh: Okay. That's from my side. Thank you.

Yash Shah: Thank you so much.

Moderator: We'll take the next question from Piyush. Piyush, you can go ahead.

Piyush Patel: Yes, as per your presentation, you have recently expanded your capacity from 16,800 metric tons to 29,160 metric tons. By when do you see yourself reaching 80% to 90% of capacity utilisation?

Yash Shah: In 80% to 85% probably by next financial year.

Piyush Patel: Okay. And how will be your further expansion from your end? By when do you plan this expansion?

Yash Shah: This will be decided in next coming two, three months because we are busy with one more project for solar power. So we are hopeful that before expanding in next to next financial year, before expanding that, we have to expand this simultaneously before that.

Piyush Patel: And that new capacity expansion, will this be brownfield expansion that is expanding in your existing plant or it will be greenfield new plant setup?

Yash Shah: This will be a new plant setup.

Piyush Patel: And what will be the cost of the expansion?

Yash Shah: Sorry?

Piyush Patel: What will be the cost of this expansion?

Yash Shah: Around ₹15 Cr.

Piyush Patel: And how will you fund this expansion?

Yash Shah: That we'll have to decide. We have good internal accruals we can do from that. That we'll decide once the project gets onboard.

Piyush Patel: Okay. Thank you.

Yash Shah: Thank you.

Moderator: Thank you. Anybody else, who wishes to ask a question, may use the option of raise hand. We'll take the next question from Smita. Smita, you can go.

Smita: Can you throw some light on the industry size of recycling in your area of business? And how is this broken down between organised and unorganised players?

Yash Shah: Sorry. Can you please, I'm not being able to hear the first part of your question.

Smita: Can you please throw some light on the industry size of recycling in your area of business? And how is this broken down between organised and unorganised players?

Yash Shah: In the industry size of, in terms of?

Vinay Pandit: So the recycling business that you are in, how big would be the industry considering primary producers? And how would the industry be between organised and unorganised players?

Yash Shah: Okay. Got it. So, as I've told you that government is focusing more and more on recycling of various kinds of scrap and they are promoting even government is investing a lot into secondary, into recycling parts as setting up with the aluminium players.

So government focusing more on, more on recycling and recycling and recycling only and only because of carbon emissions. Because government has a great, great pressure from the European Union also.

European Union will stop exporting it to India if government is not taking serious measures on carbon emissions. That's why government is focusing more and more on secondary as I've told you that carbon emission of secondary producer is quite less as compared to primary producers.

So recycling as I've told you, recycling would be the next big thing in the government frame of circular economy. Coming back to the organised and unorganised sector of this recycling industry yes, there are many unorganised sector, the labour is quite unorganised. The structure is quite unorganised. And in terms of the adaptability, the adaptability to new equipments, to new machineries, to new development, regarding the machining, the furnaces. Yeah. But as I

have told you the big players are more quick to adapt this because, this IATF, Indian Automotive Task Force, it is just like an ISO.

The combine of all the four, five certificates, one certificate is IATF which is Indian Automotive Task Force. In that, you have to maintain significant details on a daily basis and for each and every department.

So if you have to work big, if you have to work with good people with automobile manufacturers, the OEMs, the Tier 1 die caster then you have to maintain all this under IATF. So there is no point of unorganised sector while supplying it to big players.

Smita: Okay. Thank you.

Yash Shah: Thank you so much.

Moderator: We'll take the next question from Harshit Poddar. Harshit, you can go ahead.

Harshit Poddar: I just had a small question. Is Baheti Recycling eligible for the PLA that the government had announced recently?

Yash Shah: Not yet.

Harshit Poddar: Not yet. All right. Thanks.

Yash Shah: Thank you so much.

Moderator: Anybody else who wishes to ask a question may use the option of raise hand. So one question, which I have received on chat is, basically, in the last three years, your average realisation has moved between ₹220, ₹235, ₹240 per kg, right?

Yash Shah: Yes

Moderator: While your gross profit has moved at around ₹24 to ₹25 per kg, but your EBITDA per ton or per kg has gone up from ₹6.7 to ₹11, which has also translated into better EBITDA margin from 3% to 4.7%. Can you explain this phenomena? What is leading to this EBITDA improvement?

Yash Shah: So, during the IPO, we have invested some portion into our electrical furnaces, keeping into environment friendly in mind. So that electrical

furnace is giving better yield because of the temperature control at a certain degree. So we are getting better yield in that.

Secondly, we have changed our mechanism. As I've told you, we are hedging our scrap from different, we are hedging our scrap at a particular percentage rather than doing on a spot basis prices.

So that is the main factor of scrap which has yield to good EBITDA margin because earlier, there were no mechanism of hedging at our exporters end, and we were not into hedging of that much. Just our deoxy sales are naturally hedged. We were covering that part only. But these days, many of our exporters provide this hedging facility in terms of percentage, and we don't keep our any contract open.

So till Mundra port arrival, we hedge ourselves and our sales are naturally hedged also. So this has led to the increment in EBITDA.

Moderator: We take the next question from Harshit Poddar. Harshit, you can go ahead.

Harshit Poddar No. Vinay, I think my hand was just raised. I thought...

Moderator: Sure. We'll go to the next question from Suryansh. Suryansh, you can go ahead.

Suryansh Yes. So, like my question was like, we do understand like, what you're saying like, aluminium has a huge good recyclability property than, like, what you're saying that consumption is huge and it's growing. And but as a company, I want to know like, what capabilities do we have that, we can like bank, we can like grab a good opportunity in this sector and like, we can like grow for like many years to come like technology what do we have?

Is it the technology play or like, it's the basically capacity play? You'll add on getting, I don't you'll keep getting capacity add on and like, you'll increase the revenue or like what we are going to do.

Yash Shah: It again bifurcate into two, three different approach which we are adopting is that, 25% of the aluminium alloy procurement or the, consumption caters to South India market.

So we have never entered into South Indian market. Now we have entered into South Indian market, which will lead to, which will help us to increase our revenue, number one.

Number two, we'll add different products to our line only to our existing client to the big clients. As I've told you that we are focusing more on aluminium billets which will be required in solar powered industries.

We'll be adding zinc alloy, which will require into automobile industries, into electrical equipment manufacturing industries, number two. Number three, your second question was more like it is a capacity game or it is a technology based driven game. Aluminium scrap to use aluminium scrap in which furnaces and in which degree it is the most important thing. I'm talking about the bottom line, not on the top line. This scrap utilisation in different type of furnaces, we are having seven to eight different type of furnaces.

I'm sure that few people would have such kind of furnace set up because of different kind of scrap which will be melted into different kind of furnaces. And it is not, somewhat it may driven into capacity utilisation or the volume industry, but our major focus is on the niche aluminium alloy market, which the manufacturer of that alloy is critical, which is used in critical part.

And the manufacturer of such alloy is less because of the capacity utilisation from our competitors. As you have told, this aluminium alloy has a huge potential in terms of capacity. So many of them are focusing on doing capacity rather than going into niche product. So we have that balance of niche product. Earlier, if you will talk about three years back, we were only into niche product.

Now we are making way, that we need to utilise our capacity, of one alloy which we have to manufacture then we have diverted some capacity to that alloy and for 80%, we are making what we are known for it.

Suryansh

Okay. And like, do we see with entering into new product, like our margin expanding or, like our margin will be like this only? Do we have an operating leverage like?

Yash Shah:

For zinc, it would be same. Yeah. For that billet plant for the solar industry, the margin will be better.

Suryansh

Okay. Thanks for answering my question. Thank you.

Yash Shah:

Thank you so much.

- Moderator:** Thank you. We'll take the next question from Nishant Gupta. Nishant, you can go ahead.
- Nishant Gupta:** Hi, thank you with the opportunity. Actually two questions, one who are your competitors in the listed space if any, in the secondary recycling aluminium?
- Yash Shah:** Secondary recycling aluminium, our major competitor who is listed is Arfin India Limited.
- Nishant Gupta:** And are they smaller to you in scale and size, or are they like bigger than.
- Yash Shah:** Same.
- Nishant Gupta:** Same size. Okay. So second question, is it possible to throw some light around this solar product which you're developing? Is it like a niche product, which is like being developed first time in India, or is it like something, which is there in the overseas market which you're developing for the Indian market? Any sort of you know, if you can throw some light. Yeah.
- Yash Shah:** Sorry. But I'll like to keep it, I'll not like to disclose it as of now. Once it will happen, I'll definitely would disclose it, please. If you can understand.
- Nishant Gupta:** It's okay. No problem. Thank you.
- Yash Shah:** Thank you.
- Moderator:** I'll take one question from the chat from Mr. Prince. Considering the increase in our capacity and utilisation to 80% by the next financial year, what is the sustainable EBITDA margin that you're looking at?
- Yash Shah:** Minimum this would be the minimum, I'll never compromise on my EBITDA margin. It would be minimum to the existing level. Yeah.
- Moderator:** The next question in the chat is from Karna Gupta. We have seen a sharp jump in accounts receivables and short-term borrowings. Would request the CFOs to answer the question on what is happening and when will the company have positive cash flow from operations?

- Manojkumar Shah:** It's mainly due to the expansion, borrowings, short-term borrowings for the expansion as well as receivable is due to the introducing of a new clientele.
- Moderator:** We'll take the next question from Karan Sharma. Karan, you can go ahead.
- Karan Sharma:** Good afternoon.
- Yash Shah:** Good afternoon.
- Karan Sharma:** I was just looking at your expense part, and I noticed that your employee cost has reduced by about 50% to 60% Y-o-Y. So what's the reason for that?
- Yash Shah:** Manoj ji?
- Manojkumar Shah:** They're due to the introduction of our contractual labour into the company.
- Karan Sharma:** Okay. So is that the employees are laid off and the contract staff has come in, or they haven't moved to the contract staff?
- Manojkumar Shah:** Yeah. Some of the moving into the contractual staffs, and we have recently introduced in the new contractual labourers.
- Karan Sharma:** Okay. So is your contract staff cost is moved to some other expenses like I can see your other expenses are shot up by 115% or 125%?
- Manojkumar Shah:** Yeah. Included into the head of the manufacturing expenses, under the labour expenses.
- Karan Sharma:** Okay. So I assume it's, under other expenses. Right?
- Manojkumar Shah:** Manufacturing expenses, yeah and other expenses.
- Karan Sharma:** All right and there is one more question regarding your expansion plan. So like you have an idle land of around 5,000 square yards plus an additional land of 10,000 square. So total 15,000 square yards is available. So is it that the expansion will be on that idle land or a separate land would be purchased, like for a bigger expansion?
- Yash Shah:** Not on that 5,000 land, but on that 10,000 square yard. Yes.

- Karan Sharma:** Okay. So your additional facility would come over there?
- Yash Shah:** Yeah.
- Karan Sharma:** So, thank you very much.
- Yash Shah:** Thank you so much.
- Moderator:** Thank you. Anybody else who wishes to ask a question, may use the option of raise hand or put on the chat window. So since there are no further questions, would you like to give any closing comments before we end this call?
- Yash Shah:** I sincerely thanks to everyone for joining this investor presentation con call, and thank you for trusting us. And I make sure that your trust will never be broken, and it will be, it get better day and day by day. Thank you so much.
- Vinay Pandit:** Thank you Mr. Yash. And thank you to all the participants for joining on the call. This brings us to the end of today's conference call. You may all disconnect now. Thank you.
- Yash Shah:** Thank you. Thank you to all of you.