Pitti Engineering Limited
(Formerly Pitti Laminations Limited)
ISO 9001:2015 ISO 14001:2015
www.pitti.in

PITTI

3rd August 2024

To
BSE Ltd
Floor 25, P J Towers, Dalal Street
Mumbai – 400 001
Scrip Code: 513519

To
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400 051
Scrip Code: PITTIENG

Dear Sir,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of the Audio Conference call for investors on 31st July 2024

******

With reference to our letter dated 27th July 2024, intimating about the conference call with investors to be held on 31st July 2024, please find attached transcript of the aforesaid conference call.

The above information is also available on the website of the Company at www.pitti.in.

This is for your information and record.

Thanking you,

Yours faithfully,
For Pitti Engineering Limited

MARY MONICA BRAGANZA
Digitally signed by MARY MONICA BRAGANZA
Date: 2024.08.03 18:11:02 +05'30'

Mary Monica Braganza
Company Secretary & Chief Compliance Officer
FCS:5532

CIN: L29253TG1983PLC004141

Registered Office
6-3-648/401, 4th Floor
Padmaja Landmark, Somajiguda
Hyderabad – 500 082
Telangana, India
T: +91 40 2331 2774 / 2331 2770
F: +91 40 2339 3985
info@pitti.in

"Pitti Engineering Limited

Acquisition of Dakshin Foundry Private Limited Conference Call"

July 31, 2024

MANAGEMENT: MR. AKSHAY S PITTI –MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – PITTI ENGINEERING LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Pitti Engineering's Conference Call to discuss the acquisition of Dakshin Foundry Private 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 at the end of today's presentation. Please note that this conference is being recorded. Before we begin, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For a list of such considerations, please refer to the earnings presentation.

I would now like to hand the conference over to Mr. Akshay Pitti. Thank you and over to you, sir.

Akshay Pitti: Thank you and welcome to everyone for the conference call to discuss the acquisition of Dakshin Foundry Private Limited. Pitti Engineering Limited has acquired 100% share capital of Dakshin Foundry Private Limited at an equity valuation of Rs.153.12 crores. The cost of acquisition comprises the business value and working capital of Dakshin Foundry as on June 30, 2024. Dakshin Foundry is a debt-free company and has a positive cash and bank balance of Rs. 42.71 crores as on 30th June 2024. We have funded this transaction by utilizing part of the general corporate purpose portion of the QIP funds amounting to Rs. 76.63 crores and the remaining Rs. 76.49 crores being funded from our existing cash and bank balances.

Dakshin Foundry is engaged in the manufacturer of high-quality Gray Iron and Ductile Iron casting, value-added services like machining and pattern making. Dakshin Foundry manufacturing facilities are located in Hoskote, Bangalore. Dakshin Foundry has an installed capacity of 4,200 MT per annum. It is renowned and award-winning foundry known in the market for the development of casting with critical geometry, surface finish and stringent quality requirements. The main end use of the products are in railway, metro and power generation sectors. Its customers include the likes of Medha, Voith, Siemens Mobility, SKS, Bombardier and Alstom amongst others.

It has a distinction of being one of the few foundries to have DB approval. In FY '24, the sales volumes of the company was 2,939 MT at a blended revenue of Rs. 2,41,000 per ton. It reported revenue from operations of Rs.70.89 crores, the company also reported an EBITDA of Rs. 18.63 crores, which is Rs. 63,300 per ton. Other income for the period, mostly comprising of interest on loans and deposits was Rs.4 crores. PBT stood at Rs. 21.20 crores and PAT was Rs.16 crores. The transaction is EPS and value accretive. The acquisition will enhance our technical capabilities and bring economies of scale in our supply chain and will also add to the portfolio of our machine components business.

I would now like to open the floor for the Q&A session.

Moderator: The first question is from the line of Pratik from Art Ventures. Please go ahead.

Pratik: Just wanted to understand as to what is the realized EBITDA per ton?

Akshay Pitti: EBITDA is 63,000 per ton.

Pratik: 63,000 per ton?

Akshay Pitti: Yes.

Pratik: Okay. And the capacity is 4,200 tons?

Akshay Pitti: Yes.

Pratik: And what is the capacity utilization level?

Akshay Pitti: See, currently, they are at about 75% capacity utilization, optimum utilization is 80%.

Pratik: 75% is the current and optimum is 80%. And you mentioned some of the clients for which Dakshin was working. Can you just repeat the same?

Akshay Pitti: So majority of the sales are to Medha Servo, which is the company manufacturing the Train 18 Vande Bharat trains. Apart from that, they have exports to Siemens Mobility in Germany and Spain. They also supply to Voith for their locomotive division, SKS, Alstom and Bombardier.

Pratik: Bombardier?

Akshay Pitti: Yes. 80% to 90% of their sales would be from the railway segment and energy segment. 10% is to other segments such as compressors of highway vehicles, amongst others.

Moderator: The next question is from the line of Sani Vishe from Axis Securities. Please go ahead.

Sani Vishe: Congratulations, Mr Akshay, on the acquisition, another straightforward. I just wanted to understand what are the expectations for the remaining year? Do we start consolidating from this quarter itself in the start of this quarter? And what is the expected revenue for the year?

Akshay Pitti: Yes. So for this transaction, we will start consolidation from this quarter onwards. Quarter 1, we will not be consolidating obviously, since the transaction is forensic. The expectations from this company going forward to be flattish, you would be expecting Rs. 75 odd crores of topline for the company and similar EBITDA as last year.

Moderator: The next question is from the line of Ramchandra Naik, an individual investor. Please go ahead.

Ramchandra Naik: Akshay, congratulations on your acquisition. I think it's a really aggressive and bold move. I have a few questions and I hope you can bear with me on some of my questions. My first question is, you said this is in the castings business. You already have an existing casting business that you were planning to merge into Pitti Engineering? How similar is this to your existing business?

Akshay Pitti: So this is very similar to Pitti Castings, except for the size of the castings that they manufacture. In Pitti Castings, we can manufacture castings up to 4 tons, but the optimum utilization of the equipment that we have is from 200 kg to 1.5 tons. In this foundry, the optimum range of product is from 40 kg to 300 kg. So this will fit very well into the product profile of the consolidated enterprise.

Ramchandra Naik: Okay. That's great to know. So if one were to consolidate all your businesses now together and for financial year '25, what would you expect your overall revenue to be?

Akshay Pitti: See, let's break this up into individual segments. At the Bagadia Chaitra level, we are expecting revenues of about Rs. 280 odd crores for the current year based on the current market. Induction of foundry in this new acquisition for the full year, we should be looking at about Rs. 75 crores, like I mentioned before. What part of it gets consolidated will be based on the accounting standard. We have to consolidate in our financials on a pro rata basis on the ownership from the date that we have taken over the ownership. Pitti Castings should add about Rs. 50 crores to the topline post-merger and stand-alone, we should be in the vicinity of about Rs 1700 crore Pitti Engineering standalone.

Ramchandra Naik: Can I assume that you would be crossing about INR2,000 crores for financial year '25? (please read this in connection with the above note)

Akshay Pitti: Based on the current outlook, yes, I think that would be safe to assume.

Ramchandra Naik: Fantastic. Just one more question, Akshay and thank you so much for being patient with me. Overall, when you look at all of this, you said this is margin accretive. So where do you expect the margin to be by again, around financial year '25.

Akshay Pitti: See, this Dakshin foundry, if you see their client profile and the kind of complicated products that they do, we should be looking at them continuing to clock about Rs. 60,000 to Rs.65,000 EBITDA per ton. What is exciting about this acquisition is, like I mentioned, they have better technical capabilities than ours in the development process. And if we are able to leverage those capabilities in the Pitti Castings business, it should be, I mean, very, very margin accretive for us going forward.

Ramchandra Naik: Okay. Last question. Your current acquisition, the Dakshin one that you have just acquired, what is the potential for you to expand its existing capacity? Because I heard you say they're already at 75% of utilization. You could go up to 80%, which basically tells me that you're really a softer block in terms of your work. Ideally with the growing economy, what kind of expansion can you really get, let's say, within the next 1 or 2 years from your current acquisition.

Akshay Pitti: So see, in the facility that Dakshin is based in, there any expansion would be very difficult. They are kind of saturated. We can probably look at the peak utilization of about 3,600 tons of sales from that facility. What is interesting for us is that Pitti Castings is currently at about 55% capacity utilization. And we do have spare capacity there to grow into. So what we will be looking at going forward starting maybe 6 to 8 months from now, is relocating products into the right location based on the geometry and criticality and accordingly, realigning the sales from the individual locations.

Moderator: The next question is from the line of Dharmil Shah from Dalmus Capital Management. Please go ahead.

Dharmil Shah: My first question would be, I mean, how different this business is than our existing Pitti Castings because if I compare their operating margins, those are, I mean, quite different. If I just look at Pitti Castings, those would be somewhere around higher single-digit but in case of Dakshin that's in the range of 20% around. So I just wanted to understand what is the difference between. Is it the product mix? Or is it something else?

Akshay Pitti: Multiple factors to this. In terms of a process, they have the same process. It's a furan no-bake process. What differentiates Dakshin and Pitti Castings is that in Pitti Castings, we won't do the machining? The machining is done in Pitti Engineering and therefore, the margin on machining is recorded in Pitti Engineering books, while Dakshin does machining in their own facility as well. Secondly, if you take a product profile, they are predominantly into, like I said, railway and energy, 10% of its business do come from other segments like off-highway. Pitti Castings is actually quite diversified. Apart from railway, we have major contribution to off-highway vehicles, pumps, etcetera.

The other segments are slightly less in terms of margin, railway obviously contributes to a better margin profile. And thirdly, they do smaller castings which are even more critical than what we currently do. And lastly, they are at about 75% capacity utilization. So the overhead absorption is much better at their end. We are currently in Pitti Casting about 55% utilization. So as the overhead absorption in Pitti Castings would improve, we slowed the margin profile.

Dharmil Shah: Got it. Got it. And are there any plans to relocate this facility near to somewhere around Bagadia Chaitra's plant or you will be operating from the same plant where it is now?

Akshay Pitti: So we have no plans to relocate this as of now to any other location. This foundry is a very challenging industry in terms of environmental clearances. And since the facility already has all those approvals in place, it would be currently not wise to disturb any of those approvals.

Dharmil Shah: And if we combine Pitti Castings capacity and Dakshin Foundry, that could be somewhere around 26,000 tons, is this guess right or?

Akshay Pitti: Yes, that's absolutely right. So about 20,000 tons would be our capacity on a consolidated basis Pitti Castings and Dakshin. And if you see pro forma basis, we did about 8,000 tons of sales last year in Pitti Castings and Dakshin did about 3,000 tons of sales.

Dharmil Shah: Got it. And how much does this mean, catered to our casting demand for our motor business?

Akshay Pitti: So see, they already supply directly to the end customers. Luckily, most of the customers are common like Alstom, Bombardier, Medha. So it will help us further cement our relationship in the machining and lamination side of the business with this acquisition.

Moderator: We'll take the next question from the line of Chintan Modi from Haitong Securities. Please go ahead.

Chintan Modi: Akshay, congratulations and thank you for the opportunity. I just wanted to understand like if you look at FY '24 margins for Dakshin has been very high compared to FY '23. What has changed in that 1 year, if you could help to understand?

Akshay Pitti: In terms of EBITDA, I don't think they are very dissimilar on a per ton basis. If you just go back, what is different is definitely the other income, they have significant bank and cash deposits. So those have no kind of increased their PAT margins. But on EBITDA, I think they are pretty much similar to FY '23.

Chintan Modi: EBITDA per ton is similar is what you are saying?

Akshay Pitti: Yes.

Chintan Modi: Okay. And can you share like how old this facility would be?

Akshay Pitti: So this company was established in 2004. I think if my memory serves me right, they went into operation in 2005, so it could be a 19-year-old facility.

Chintan Modi: Okay. And do you expect any additional cost to be incurred to upgrade the facility?

Akshay Pitti: As of now, there is no further capex planned in Dakshin Foundry location, barring the operational capex at Rs. 40 to Rs.50 lakhs, which they are already doing on an ongoing basis. It's a very, very well-maintained foundry and it's equipment is absolutely cutting edge. They have consistently reinvested and upgraded their equipment and processes throughout the tenure of the factory.

Moderator: The next question is from the line of Madhav Agarwal from SG Investments. Please go ahead.

Madhav Agarwal: Just wanted to confirm, when you were giving the revenue guidance for all the entities. So Bagadia was INR280 crores, Dakshin was INR75 crores, Pitti Castings was INR130 crores. And can you confirm for Pitti Engineering?

Akshay Pitti: Sorry, my bad. I think I need to make a correction here. Pitti Castings would be INR50 crores addition to the topline. What I was trying to say I think I skipped is INR130 crores out of INR180 crores of the revenues to Pitti Engineering. So when we consolidate only INR50 crores will get added to the topline. If I can go back to it, Bagadia would be INR280 crores net addition, Dakshin would be INR75 crores net addition. Pitti Castings would be INR50 crores net addition and Pitti Engineering based on current outlook is about INR1,700 crores.

Madhav Agarwal: And so the second question I wanted to ask, will Dakshin also enjoy the pass-on model of raw material prices?

Akshay Pitti: Yes, of course. That's the industry standard in our customer -- all the customers have better to standard.

Madhav Agarwal: And for the 80% to 90% sales, you said are coming from the railway and one of the segments you mentioned?

Akshay Pitti: Energy segment. So they make certain castings for gas turbine and steam turbine gearboxes and their housing and some on the turbocharger parts.

Moderator: The next question is from the line of Abhijit Mitra from Aionios Alpha. Please go ahead.

Abhijit Mitra: So just to sort of understand the margin profile a bit more. I mean you've guided for the revenues. Can you sort of take us through the expected margins of these individual businesses in the medium term and in the long term.

Akshay Pitti: So on Bagadia Chaitra, I think I'm more comfortable giving you exit guidance for quarter 4 as the synergy benefits start accruing. By quarter 4, we should be at about 18,000 EBITDA per ton in that entity. In terms of Dakshin, like I said, we expect the same EBITDA to continue per ton basis. Operating leverage would be similar, 3,000 to 3,300 tons. In Pitti Castings, once you consolidate it, it should add about INR20 crores, INR25 crores to our EBITDA in Pitti Engineering.

Abhijit Mitra: Got it. Got it. And what would be the consolidated net debt after the merger?

Akshay Pitti: So the consolidated net debt would not change much. Even today, if you see Dakshin and Bagadia already WoS. We are already consolidating that. Pitti Castings should add about INR15 crores to the net debt at max.

Abhijit Mitra: Sorry. So Dakshin's acquisition will take away either cash or add debt to the consolidated number, right? So the net debt should increase?

Akshay Pitti: No. So you're asking what is going to be the net debt post the transaction or on a consol basis. Consol-wise, Dakshin will already be consolidating. Post the transaction? Just give me one second. So I think pre-transaction, our net debt was about INR250 crores. The transaction would have taken it to INR400 crores. And then you have about INR40 crores cash on their books. So you'll have to minus that. So about INR360 crores should be the net debt.

Abhijit Mitra: Okay. All right. Got it. But your balance sheet net debt FY '24 end was a bit higher, right? Your balance sheet net debt as reported on FY '24 end was INR427 crores, if I can sort of see?

Akshay Pitti: So post that, we have an event where we bought Bagadia Chaitra, then we have to fundraise then we have working capital changes and then we have the acquisition of Dakshin and then the cash on Dakshin's book.

Abhijit Mitra: Got it. So INR427 has eventually or will eventually become INR350 crores.

Akshay Pitti: It should be around that as on date.

Moderator: We'll take the next question from the line of Umesh Jain from Kotak. Please go ahead.

Umesh Jain: Congrats for the successful acquisition. My question is on the synergies, which we will have from this acquisition. Can you throw some light on whether this will open up a new different segment for us or this will help in terms of the backward integration. One, you talked about the major client, which we also currently cater to, but will it open new categories of products for us as well as the backward integration?

Akshay Pitti: So the synergy benefits, Umesh, will come from a couple of points. One, in terms of product range. Also we can manufacture casting as low as 20 kg. It's not efficient to manufacture in our facility. With this acquisition, the product range from 40 kg to 250 kg, 300 kg becomes very efficient to manufacture, given that they are specializing in smaller castings and their equipment is tailored to make such castings.

Second, it will help us further consolidate with the vendors. They do on the metro rail and passenger rail side, we are dominant on the freight rail side, while the customer does both. So for example, Alstom, they have a metro division, freight rail division and a passenger rail division. So it will help us consolidate our business with our customers and make us more critical to their supply chain.

Thirdly, I have no hesitation in admitting. I believe they have better technical capabilities than us because they make smaller and more critical castings. If we are able to utilize those development skills, for our products, we'll get more efficient and therefore, increase our margins in our casting business.

And lastly, it will help us in our machining because if you see their product of this year's breakup, they are about 30% machine and 70% raw. And whatever is the raw casting is up for machining, we'll feed our machining business.

Umesh Jain: So is it fair to assume that this will help us fast-track our growth journey in the Pitti Engineering stand-alone business?

Akshay Pitti: Definitely.

Umesh Jain: Sure. And lastly, on the order book, while you talked about your revenue growth guidance for FY '25, can you share numbers in terms of the volume order book?

Akshay Pitti: So in terms of forecast and order book all combined, we are seeing the sales for the current year at about 48,000 in Pitti Engineering and 18,000 in Bagadia Chaitra.

Umesh Jain: 48,000 Pitti and 18,000 in Bagadia Chaitra?

Akshay Pitti: Yes. About 64,000 tons on a consol basis.

Umesh Jain: Sure. And in terms of the casting business?

Akshay Pitti: Casting side, we should be doing about 9,000 in Pitti Engineering and the 3,300 around that in Dakshin based on the current outlook, about 12,500 on a consol basis.

Moderator: The next question is from the line of Sanjeev Zarbade from Dream ladder. Please go ahead.

Sanjeev Zarbade: Yes, sir. I hope I'm audible. So my first question is regarding what are the new segments you will be serving from the Dakshin facilities?

Akshay Pitti: So per se, there would be no new segment. For example, BCM Railways and Metro Rail. So they are specializing in Metro rail. We are specializing in passenger and freight. So in terms of segment, it's still the same. But in the subsegment wise, we will be getting a higher exposure to the metro rail and passenger rail business. What we'll be adding, I think it would be on the steam turbine and gas turbine parts and the gear cases for those. Those are things we currently don't do in Pitti Castings.

Sanjeev Zarbade: Okay. And sir, what would be the -- by how much would be the capacity expandable from the current level of 4,200 metric tons?

Akshay Pitti: That facility is saturated in terms of land building and the pollution permits that they have. Our idea is to make that specializing in smaller and more critical castings, which is what the equipment there is actually geared up to do. And all the medium and large-sized castings and which are less critical in nature, move them to Pitti Castings facility eventually as we have surplus capacity here.

Moderator: We'll take the next question from the line of Ramchandra Naik, an individual investor. Please go ahead.

Ramchandra Naik: I hope you're able to hear me. Akshay, a quick question again is about the recent budget. There was this the Finance Minister announced that for MSMEs and employers, when you hire people, there's going to be some benefit.

Akshay Pitti: I'm sorry, I can't actually understand anything you're saying. It's very, very muffled your voice.

Ramchandra Naik: Are you able to hear me clearly now? Okay. My question to you was in the recent budget...

Moderator: Sorry to interrupt, there is a background noise from your end. Can you move to quieter place and just ask your question because we are not able to hear you clearly.

Ramchandra Naik: I'm going to try that. Are you able to hear me better now?

Moderator: Yes, sir, please continue.

Ramchandra Naik: Okay. My question was in the recent budget, the honourable Finance Minister had announced about some benefits that employers would get when you hire new people. Would Pitti be making any use of the benefit or the -- whatever was announced by the Finance Minister?

Akshay Pitti: So as of now, we've not evaluated this, we will evaluate and take the benefit if it's accruable to us in a sustainable manner.

Moderator: The next question is from the line of Het Choksi from Deven Choksi. Please go ahead.

Het Choksi: Yes, congratulations for a fantastic acquisition and best wishes for the integration and the journey ahead. Just demonstrate the skills you have in the vision you see or vision you have to see Pitti Engineering transform into a core critical engineering company. So keep up the good work.

Yes, Akshay, so basically, this question was mainly related to their logistics around the entire plants which we acquired considering the fact that your main plants are based in Hyderabad and Aurangabad. And this plant is based in Bangalore. And the fact that now you are saying that because of the capacity you have in Pitti Castings, where you can do more medium and large-scale casting? How easy would it be to drive up the capacity utilization there and within the -- and how much time would it take for you to move the business out of Dakshin for the medium- and large-sized castings to Pitti Castings. That was the first question.

And how will this lead to better their product development? As I understand, this acquisition actually gives you the fillip to develop more niche and core critical products because of the technical abilities that Dakshin posses. So how well will you be able to manage the product development cycle and delivery cycle as far as the medium and large-size castings are concerned.

Akshay Pitti: Yes. So see, like you said, the facilities at Pitti Engineering traditionally owned are in Aurangabad and Hyderabad. If you see both the acquisitions, they are catered and centered towards Bangalore. So we're very cognizant of the fact that we don't want to spread ourselves to thin in terms of management bandwidth. The good thing is that in Chaitra -- Bagadia Chaitra, Chaitra Sundaresh has joined us as a full-time CEO. So handling the logistics and business of that entity in Bangalore will not be very difficult for us.

As far as the integration of Dakshin Foundry is concerned, see, we will eventually and slowly move the products, which are large and not so critical from Dakshin to Pitti Casting facility and open up capacity induction to cater to even more critical castings and therefore drive up the margins. There's no conscious plan to today shift anything as and when we are developing those products and ramping up, we will do those needs.

Het Choksi: So just to add on this question, what is the general product development cycle for -- let's say, particularly for a new acquisition which you do, what is the learning time? And the conversion of that learning into an application for a particular motor or a particular casting product. Because as I understand this factory, which you have in Dakshin there's a real smart capability of doing niche metro projects and newish like train manufacturing components. So the fact that you are moving some of these medium and large size castings to Pitti, it will actually give you a lot of fillip to do this kind of very niche and technical products for new age trains and new age railway services.

Akshay Pitti: Absolutely. So see, from the time that we start developing a product to the time that the product is developed is about 9 to 10 months and then the customer has its own cycle time to approve the part at there end -- putting it into the locomotive or the metro train and approving it. As far as the developed part is concerned, moving rates would not take more than 6-odd months because when the process is established, it just needs to be reestablished at a new location.

Het Choksi: Okay. So basically 6 months, which would -- what we will take to ramp up production. And integrate a particular new product to from Dakshin to your Pitti Castings.

Akshay Pitti: As and when we start the process, each product will take about 6 months. Maybe we can concurrently move 3 or 4 products, not more than that.

Moderator: The next question is from the line of Dharmil Shah from Dalmus Capital Management. Please go ahead.

Dharmil Shah: Just wanted to confirm one thing. You mentioned 30% -- out of the total output, 30% is machined and 70% is raw output. Is this understanding, right?

Akshay Pitti: Yes, that's correct. 70% of sales are raw casting and 30% of the sales are in machine condition.

Dharmil Shah: Got it. And any plans for increasing this in the next few years because output you mentioned is factory is already running at optimal capacity?

Akshay Pitti: Yes. So obviously, on the raw casting, our first endeavour would be -- and the easiest thing to start would be machining these castings and supplying to customers because they are getting it machined at some place or the other.

Dharmil Shah: For any rough sense, what would the mix would be for next, FY '25 or FY '26?

Akshay Pitti: See, it's too early in the day for me to make a firm comment on that. But if I was to guess, it would be that, say, in a year or 1.5 years' time, we should be at a rate of about 50% machine and 50% raw. And then we take it from there. Because if you have to again increase the machining, we would also have to add capacity in Pitti Engineering. We're also kind of running neck to neck on our machining capacity.

Dharmil Shah: Correct. And at 50-50 mix for machining and raw business, what would be the EBITDA per ton in the Dakshin Foundry business?

Akshay Pitti: See EBITDA per ton, again, it's too early for me to make a statement on that. I need to understand that business a little more. What I can tell you is that if you take the machining and raw casting, raw casting is typically sold at about INR200 a kg average sale realization and machining is typically sold at around INR330, INR340 a kg. Okay. So from there, we can kind of work out the kind of value that doesn't happen because of machines.

Dharmil Shah: Understood. And lastly, is the senior management in Dakshin going to remain same or will -- I mean, how are you going to...?

Akshay Pitti: So like there, we have a professional MD, Mr. Vishwajeet Banerjee, his current employment agreement is 31st March, we will be at appropriate time looking to renew that. Other than that, he has a second level team of the senior professionals. As of now, all of them are going to continue with us in the consolidated enterprise.

Moderator: As there are no further questions, ladies and gentlemen, we have reached the end of the question-and-answer session. And on behalf of Pitti Engineering, that concludes this conference. Thank you for joining the call. For further queries or visiting the plant, please be in touch with Mr. Rama Naidu from Intellect PR on 9920209623. Thank you for joining us and have a wonderful day. Thank you.

(This document has been edited to improve readability)