



“Dwarikesh Sugar Industries Limited
Q3 FY2023 Earnings Conference Call”

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Dolat Capital



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Moderator: Good day and welcome to the Q3 and 9M FY2023 earnings conference call of Dwarikesh Sugar Industries hosted by Dolat Capital. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” and “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Tejas Sonawane from Dolat Capital. Thank you and over to you, sir.

Tejas Sonawane: Thank you, Vivian. Good afternoon everyone, on behalf of Dolat Capital, I would like to thank the management of Dwarikesh Sugar Industries Limited for giving us the opportunity to host their Q3 FY2023 Earnings Call. From the management team, we have with us today Mr. Vijay Banka, the Managing Director. Without further ado, I would like to hand over the call to the management for their opening remarks, post which we will open the forum for a Q&A session. Thank you and over to you, sir.

Vijay Banka: Very good afternoon to everyone, I welcome you all to our Q3 Nine Months FY2023 Earning Call Conference. Our results were published on January 30, 2023. The results are already there in the public domain. We had a rather muted performance in this particular quarter. We have had a total income of about Rs. 392 Crores, which is a big drop from the turnover that we clocked in the corresponding quarter last year. On nine-month basis, our turnover was more or less similar to what we had clocked in last year’s nine months’ period, and we had a profit before tax of about Rs.15 Crores and profit after tax of Rs.10.5 Crores. I will now take you through some of the financial highlights.

Total income Rs. 392 Crores, EBITDA of about Rs.34 Crores, finance cost of Rs.6 Crores, mind you this finance cost is the gross finance cost, we have had the benefit of some interest earnings which is considered in the other income. So, earning before depreciation and tax is about Rs. 28 Crores, profit before tax Rs.15 Crores. This is how our quarter has fared.

Nine months results, total income of Rs.1583 Crores, EBITDA of Rs.140 vis-à-vis Rs.191 Crores, and PBT of Rs.83 Crores vis-à-vis Rs.133 Crores, and PAT of Rs.58 Crores vis-à-vis Rs.96 Crores.

Let me take you through some of our key numbers. During this quarter, we had sugar sales of Rs. 6.47 lakh quintals only, which included export of about 4.34 lakh quintals. This is as compared to Rs.14.17 lakh quintals that we sold in the corresponding quarter last year, which included Rs. 2.5 lakh quintals of export sales. So, which means vis-à-vis Rs. 2.13 lakh quintals that we sold in the domestic market during this quarter, in the corresponding

quarter last year we had sold nearly Rs. 11.67 lakh quintals. So this is reflected in our lower total income. During the nine-month period we sold about Rs. 33.25 lakh quintals, which included for export Rs. 9.34 lakh quintals as compared to Rs. 35.88 lakh quintals, which included for export Rs. 2.5 lakh quintals of sugar. So, we were carrying a stock of Rs. 4.72 lakh quintals as compared to stock of Rs. 11.07 lakh quintals that we carried on the December 31, 2021. Our opening stock was substantially lesser, which is the reason why we got lesser releases in this quarter. We, of course had some export sales, which is how our sale quantity number of Rs. 6.47 lakh quintals is arrived at.

On the industrial alcohol front, during this quarter we sold industrial ethanol made from cane juice directly. So, both the plants were fully operational, not during the entire quarter, but when the season commenced. In Dwarikesh Nagar. So in Dwarikesh Nagar we started ethanol production in the first week of November, and then Dwarikeshdham, we have commenced ethanol production from the second week of November. We have sold 1.68 Crore liters, and for nine-month period, we have sold Rs. 5.47 Crore liters. So, a significant jump as compared to the corresponding numbers of the previous year. As I mentioned, entire quantity of ethanol was produced from cane juice syrup, and we have been using this in both our distilleries, and this is going to be our model henceforth. So, during season we will be using cane juice for making ethanol, and during off season we will be using B heavy molasses, which is being generated across all units and is being stored.

So, our season 2022-2023 is on way, till 31st December we crushed 125 lakh quintals of sugar cane across all three units, and we produced 9.38 lakh quintals of sugar. Sugar production of course was lesser because we diverted a significant portion of our production capacity of our sugar cane crushed for making of ethanol. So our crushing numbers are expected to be more or less similar as compared to the last season. Last season we crushed about Rs. 378 lakh quintals, so we may be more or less around the same number. We got export order of about 86001 MTs. Our allotment was 86001 metric tons out of which 50000 has been exported so far, and the balance has traded in favor of sugar mills in Maharashtra. So we have swapped the quota, so we will be getting the benefit of additional releases from the month of April 2023 onwards. So our term loan profile is lean and trim, we have all loans at subsidized rate of interest. We have two distillery loans, and one soft loan, SEFASU 2018 loan, which was sanctioned by the government of UP.

I will take you through some more numbers, which might be relevant. Our opening stock of sugar on 1st October, 2022 was only around 1.80 lakh quintals. So, which is what is the reason why we have got lower releases.

I now open the house to all the participants and I would request you to please ask the questions. I would be happy to answer you all.

- Moderator:** Thank you. Ladies and gentlemen we will now begin the question-and-answer session. The first question is from the line of Rajesh Majumdar from B&K Securities. Kindly proceed.
- Rajesh Majumdar:** Good afternoon, Sir. I just had a couple of questions. So, correct me if I am wrong, but the gross recovery for the quarter seems to be just 9.1% and this is more than a 200 bps fall on a Y-o-Y basis. Is that correct?
- Vijay Banka:** No. Our gross recovery is down by only 0.19%. I do not know, if you have factored for the B heavy molasses, I mean, sugar that we have sacrificed while generating B heavy molasses, and plus of course we had diverted sugar cane crushing for ethanol production directly also. So, our gross recovery on a comparable basis is down by 0.19%.
- Rajesh Majumdar:** No, because you gave the quantity of sugar cane diverted for alcohol, and if you subtract the cane volume from that, and calculate the recovery it comes to only 9.1%.
- Vijay Banka:** Yes. So, you are not factoring for the B heavy molasses generation. So what is important is the gross recovery, when we talk of the gross recovery, it is gross recovery in the conventional sense where we have not diverted B heavy molasses & where we have not diverted cane juice directly for ethanol.
- Rajesh Majumdar:** Got it. In 3Q you would have crushed the ratoon cane right, so the plant cane will come in...
- Vijay Banka:** Yes, ratoon cane, plant cane has started coming now.
- Rajesh Majumdar:** What are the initial estimates from the plant cane in term recoveries? What is the initial indication? Is it going to be worse than last year?
- Vijay Banka:** You see plant cane, if you crush it in early January the results are not very encouraging, but as the season advances the recoveries get much better and better and we do not see the plant recovery to be any different from what they were in the last crushing season. In fact, they should be better according to me.
- Rajesh Majumdar:** So in terms of overall sugar production, would you like to give a figure for the sugar year 2022-2023 compared to last year?
- Vijay Banka:** You mean for the sugar season?
- Rajesh Majumdar:** Yes.

- Vijay Banka:** Sugar season, yes, you see for example we are going to crush the same quantity of sugar cane, so, which is about 375 lakh quintals, roughly 20% will get diverted for production of ethanol directly from cane juice, then there will be sacrifice for B heavy ethanol. So our production of sugar number could be anything between 30 to 35 lakh quintals.
- Rajesh Majumdar:** 30 to 35.
- Vijay Banka:** Yes. That is a big reduction from our earlier numbers that we have had in the earlier season.
- Rajesh Majumdar:** Correct. That is one, and secondly, what is the inventory valuation at 347 lakh quintals.
- Vijay Banka:** Rs. 32575 per metric ton.
- Rajesh Majumdar:** 32.57.
- Vijay Banka:** Yes.
- Rajesh Majumdar:** My last question is on the outlook for the prices. Do you think that the production for the country will be short of 34 million tons, which is the last figure by ISMA, and the inventory figure could actually start looking much weaker than what it is looking right now?
- Vijay Banka:** Yes. personally, although I would go by the ISMA number my way of putting it would be that 34 million tons with lower bias. So, if assuming the production number is 34 million tons, and then you have 6 million tons of exports which means availability of 28 million tons, which is going to be more or less equal to the domestic consumption. So, we looking at similar closing stock numbers, but I agree with you it is very intriguing that the domestic prices have not risen, in fact, I think the government is also in a sense worried that the domestic prices are not risen to the extent they should have risen. But that is how the market has been operating.
- Rajesh Majumdar:** True. Yes, I will come back in the queue. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Pratik Tholiya from Systematix. Kindly proceed.
- Pratik Tholiya:** Thanks for the opportunity. Sir, what was the average realization for the export that we have entered into this year.
- Vijay Banka:** We exported, I mean, not the entire quantity of export we did in the Q3. We exported, I think about 43400 metric tons. But anyways the contract is one for the entire 50000 metric tons. So, we have this entire contract for Rs.36000 per metric ton FOR Kandla. So from that

you deduct about 2000 a metric ton for transportation. So our net realization is Rs. 34000 a metric ton.

- Pratik Tholiya:** Any reason why this number is lower because others have contracted around Rs.40?
- Vijay Banka:** No, what they have sold the refined sugar, we have not sold refined sugar, what we have sold is all raw sugar. Two reasons I will attribute it to, number one, the timing of the contract also plays an important role. We contacted no sooner the export quota was allotted to us, and that is number one, and number two, we do not make refined sugar, we make only raw sugar. So there are other benefits when we make raw sugar, the costing comes down because we do not use many chemicals, etc. But, yes, there is a bigger delta available when you export refined sugar.
- Pratik Tholiya:** Just a follow up on that would be, because most of your competitors are now moving more on the refined side at least 60%, 70% of the total production they want to sell as refined sugar. So any thoughts on that.
- Vijay Banka:** Number one, as far as the domestic market is concerned the delta available on refined sugar is not much. Number two, in case of exports, the export market for the refined sugar is rather small, not like the export market for the raw sugar, which is very big. So, nonetheless as I had mentioned it in my earlier calls also that we are evaluating, and we will definitely be looking at putting up a refinery at our plant.
- Pratik Tholiya:** Secondly, on the distillery you said that during the season we will be doing mostly juice, and off season will be doing B heavy. So, if you could just give a broad split in percentage term how much quantity will come from B heavy, and how much from juice.
- Vijay Banka:** See roughly Rs. 6 Crores plus liters will come from juice out of 11 Crores liters, the balance will come from B heavy molasses.
- Pratik Tholiya:** This 11 is for this year right 11 Crores liter.
- Vijay Banka:** I am not talking about financial year, I am talking about the sugar or the ESY as we may call it ethanol season year. So this fiscal we should be doing anything between Rs. 8 to Rs. 8.5 Crore liters FY2023-2024 of course we will do Rs. 11 Crore liters, and, I mean, from the commencement of this season 2022-2023 till we complete or, till we begin our next season 2023-2024 we will do 11 Crore liter.
- Pratik Tholiya:** Understood. Okay, sir. That is it from my side. Thank you and wish you all the very best.

- Moderator:** Thank you. The next question is from the line of Shailesh Kanani from Centrum Broking. Kindly proceed.
- Shailesh Kanani:** Good afternoon, sir. Thanks for the opportunity. I just wanted to understand, we have been hearing about the news of increasing SAP prices. So, can you just highlight what is the status and what is our expectation?
- Vijay Banka:** Well it is not politically correct for me to say anything about it, but, yes, we do not think anything like that is going to happen. So, whatever statement you hear according to me they are political statements.
- Shailesh Kanani:** Okay. Normally what is the timeline by which the government does the announcement, are they on time or there is a delay?
- Vijay Banka:** Nearly 50% of the season is over and SAP yet not announced. So, normally if you have followed the pattern they announce it sometime in, or at least before the end of November. January is also over, and yet it is not announced.
- Shailesh Kanani:** So it is fair to assume that it has to be what it is last rate right that is 350 which was earlier last year. Because it would create a little practical problem as well, because as you rightly said two and a half months we are already into the season and if it is a retrospective change, the payment structure and everything would be highly unlikely.
- Vijay Banka:** Highly unlikely.
- Shailesh Kanani:** Sir, on gross level basis can you share the percentage before on like-to-like, year-on-year, what are the recovery levels for Dwarikesh and also for the industry per se?
- Vijay Banka:** This quarter, I would not off hand have the number for UP or for the country as such. But in this quarter on a gross recovery basis, our recoveries are lower by 0.19% up to 31st December, 2022, but there has been little improvement thereafter, and the season is still a long way to go I am sure we will make up for whatever loss we had.
- Shailesh Kanani:** So, what would be that absolute number 0.19 is less than last year. So what is the number gross recovery?
- Vijay Banka:** See it is different for all our plants. In one plant, it was as high as up 11.67% up to 31st December, 2022. So, if you see our last year you see that the recovery gets better as the season advances. So these months are typically of low recovery, these are all low recovery months. I can share with you the exact details subsequently

- Shailesh Kanani:** Sir, my second question is with respect to our transfer pricing. What is it, has there been any change in the transfer pricing of molasses from the sugar division to distillery division?
- Vijay Banka:** See this quarter there has been no use of B heavy molasses. So it really does not matter. In this quarter all we have used is sugar cane juice, and this was the first time that we used sugar cane juice.
- Shailesh Kanani:** On Capex or growth plans, last time you had mentioned that probably by third quarter and you would be doing some announcement about the future Capex plans.
- Vijay Banka:** Yes. we are doing a few things, which will improve our capacity. Not substantially but some capacity increase will be there as we enter the next crushing season, small increase in our capacities. Then number two would be efficiency enhancement Capex these are all incurred on a regular basis. So that we are going to do and we are very actively evaluating the refinery proposal also.
- Shailesh Kanani:** As of now nothing on the distillery front, till the time we have additional capacity.
- Vijay Banka:** No in distillery there is no Capex, there is no distillery Capex happening in the near horizon.
- Shailesh Kanani:** Right. Unless until we increase our capability of crushing.
- Vijay Banka:** And with the available distillery capacity that we have, we can go up to Rs. 12 Crores liters. For that the impediment is cane crushing and cane availability and our sugar capacity
- Shailesh Kanani:** Fair enough. Sir, the last question from my side is that we have been also hearing that since many of the industry players have been getting less domestic quota because of their higher divergent towards ethanol or for that matter exports. So there is some talk of change in formula of allocation of domestic quota. So can you shed some light on that.
- Vijay Banka:** Domestic quotas get better if you do exports. I think some time ago a maybe a month or a month and a half ago there was a set formula which the government had come out with and I do not remember what weightage is given for diversion of sugar cane for ethanol for diversion of B heavy and for exports also. So weightage is indeed given, so there is no reduction on the contrary on a comparative basis we stand to gain when we do ethanol from cane juice.
- Shailesh Kanani:** So this was a change or because we had lower quota.

Vijay Banka: They actually announced the formula very clearly so that there is no ambiguity. This was the pattern even earlier also. So the announcement has been done only to ensure that there is no ambiguity whatsoever and so as to ensure total transparency.

Shailesh Kanani: Okay, sir. That is all from me. Thanks a lot. That is useful.

Moderator: Thank you. The next question is from the line of Krisha Kansara from Molecule Ventures PMS. Kindly proceed.

Krishna Kansara: Good afternoon, sir. Sir, globally sugar prices are at 6 years high close to around \$0.22 cents but domestic prices are around 34.5 and are only marginally higher than our cost of production. So why is there a diversion in domestic prices, but the extent of diversion looks like not an ordinary event and given the production cut announcements and anticipated reduction in the production going ahead into the season. Should the domestic prices inch up much higher than the current market prices?

Vijay Banka: I fully agree with you, there is no reason why the domestic prices should prevail at these levels. See internationally prices are high, and they will continue to be high also. Only of course there may be some moderation happening when the Brazilian production comes into the market, but one must also understand that over a period of time the cost has gone up in all the economies and in all the geographies which are producing sugar. So the prices have to settle at a higher level. It is very intriguing that the domestic prices are not going up. In fact the quotas on all India basis that which the government has announced are also comparatively lower than what they had announced during the corresponding months in the last year. So I definitely see price correction of at least about Rs. 2000 a metric ton to happen in the near future.

Krishna Kansara: Another question was that given the production cut announcements there is also export quota increase expected by the industry. So how do you take it, do you think that we would get another 2-3 million incremental quota to export or do you think that is ruled out given the production cut announcements.

Vijay Banka: As of now, I do not think there is any possibility of further export being allowed. Because I had explained the statistics, so we began the season with opening stock of Rs. 5 to 5.5 million tons and the expected production of about 34 million tons, and you deduct from that the exports which the government is already announced and which will definitely happen that is 6 million tons. So you are left with 28 million tons and considering consumption of about Rs. 27.5 to 28 million tons what you are left with only about Rs. 5.5 to 6 million tons of closing inventory, which is similar to what it was last season. So, I do not think and as of

now there are no indications of higher production number. In fact, in Maharashtra sugar mills have started shutting down for the season.

Krishna Kansara: Okay and this is very recently.

Vijay Banka: Yes, some mills, I mean, the number is very small maybe two or three mills have stopped crushing. But, well in February we will see season operations concluding in many other sugar mills in Maharashtra.

Krishna Kansara: So then for our sugar segmental mix to be more profitable. Now can we expect that given that incremental quotas would not be provided for the exports? So can we assume that increase in any global sugar prices are not directly beneficial to us given that we have already contracted Rs. 5 million tons?

Vijay Banka: Yes, as of now they are not of any benefit to us.

Krishna Kansara: Sure, got it. That is all from my side, sir, all the best.

Moderator: Thank you. The next question is from the line of Jaspreet Singh from BA Capital. Kindly proceed.

Jaspreet Singh: Good afternoon everybody. Good afternoon, Sir. Sir, any effort to increase the crush this season or next season?

Vijay Banka: The effort is always there. See our plant has capabilities of crushing at least 400 lakh quintals, that is never a problem. You see what dampened our crushing estimate was the fact that there were unseasonal rains in the month of October, which resulted in lodging of the crop, which resulted in lower-than-normal yields, waterlogging in many areas. So, this is the reason why the crushing numbers are not high. In spite of these hostile weather conditions, we think we will have similar crushing numbers this season as well, and when the effort is always there, we are working very hard on changing our varietal mix in one of our units. So where the impact of the red rot is much more. So then consequently yield in that area is also lesser. So once we are successful in our efforts to change the varietal mix there, we should see increased crushing numbers there in that unit.

Jaspreet Singh: So do you expect the dominant variety to be replaced by next year?

Vijay Banka: Well it is going to be a three-year program, but the efforts will, I mean, results will be visible from the next year onwards.

Jaspreet Singh: So secondly you mentioned about that government is also worried that the price is not rising. Would you not think that government would be interested in lowering the price rather than letting it go up?

Vijay Banka: No, I beg your pardon actually, I mean, that was a very informal opinion actually. So the government is normally is noncommittal on the prices. If the prices do not rise it leads to consequent problems at all levels especially when the prices are not commensurate with the increasing cost etc. So there are consequent problems such as cane price arrears, so in that sense, they are worried, of-course they would want the sugar to be made available to the common man at the lowest possible price.

Jaspreet Singh: Okay, I mean, they can easily control the price by lowering the monthly quota.

Vijay Banka: Yes, this year the quotas are lower, but in spite of that the prices are not risen.

Jaspreet Singh: You think government would be okay, till a price of what level.

Vijay Banka: In 2016-2017, our average realization used to be 36, 36.5, 37500 a metric ton. If you factor for the inflation from then to now, but anyways that is stretching the argument little too far, but I do not think a price of Rs. 37000 a metric ton should result in any hue & cry

Jaspreet Singh: Right, sir. Thank you.

Moderator: Thank you. The next question is from the line of Shailesh Kanani from Centrum Broking. Kindly proceed.

Shailesh Kanani: Sir, thanks a lot for the opportunity again. Sir, just wanted to understand production of raw sugar this quarter vis-à-vis last quarter, if you can share those details it would be helpful.

Vijay Banka: What we have sold is what is more or less the production actually in the quarter. So in this quarter we have sold about 43400 metric tons of raw sugar. I mean, that is what has been dispatched from our sugar mill.

Shailesh Kanani: So, we have 43000 right, what is that?

Vijay Banka: 43400.

Shailesh Kanani: And vis-à-vis last year this same period that is third quarter.

Vijay Banka: I think we did about 25000 metric tons last year same quarter. I think it is already there in our press release if you see that number is there already.

- Shailesh Kanani:** So, in that case should not our recovery levels would have been little boosted because the raw sugar has also gone up.
- Vijay Banka:** Recovery should have been better, but raw sugar production does help the cause of recovery. But like I explained the rain were very untimely and which is the reason why all across you see the recoveries are lower during this particular period.
- Shailesh Kanani:** And same reason can be cited for the drop in yield and recovery for Maharashtra as well is it fair to assume the same reason is there.
- Vijay Banka:** There also they say because of the unseasonal rainfall. But the agro climatic conditions of Maharashtra are vastly different from the agro climatic conditions of UP.
- Shailesh Kanani:** Because when I see the ISMA estimates, the largest fall is in Maharashtra. So I am just trying to understand figure out there, what is the main reason for that sudden fall.
- Vijay Banka:** It is basically agro climatic condition only. Because the two, three factors one is agro climatic condition and secondly is there is unexpected pest attack which any particular variety is suspect to. So these are the two main reasons
- Shailesh Kanani:** And sir, just a last question from my side, continuing on that recovery front. So what gives us the confidence that the recovery levels would improve and it will be ending flattish by in the season end?
- Vijay Banka:** No, we see the crop conditions at the field so that gives us the confidence.
- Shailesh Kanani:** That is the plant crop which you are getting right now that is what you are saying.
- Vijay Banka:** In small measures we started getting, it is of course going up now across all units.
- Shailesh Kanani:** And the weather conditions are suitable there is no negative supplies which from that side.
- Vijay Banka:** January we had extremely cold weather conditions, but now there's bright sunshine in this part of the country.
- Shailesh Kanani:** Okay sir. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Udit Gupta from Investor. Kindly proceed.

Udit Gupta: Good afternoon, sir. Sir, my question is that we have stated that we have a run rate of 10 to 11 Crore liters in ethanol and this quarter we were less than 2 Crore liters, what was the reason?

Vijay Banka: Sir, this quarter I told you we operated our plant for the first time with juice, number one. Number two, our ethanol plants are operational only from, in case of our DN unit sometime in the first week of November and our DD unit distillery operations began, our season started on the 8th, so distillery operations began around 12 to 14. But in the month of January onwards we have been getting a run rate of 1 Crore liters per month, I mean, combined for both units.

Udit Gupta: Any reason why we started late for this year, or was it because of...

Vijay Banka: No, you see sugar production started and then we had to get some approvals and all because from the excise department and all. So any distillery which does production from juice first time, typically there are about 3-4 days wasted in getting the approval, bureaucratic delay, mainly

Udit Gupta: That was about the normal run rate of 2.5 to 3 Crores.

Vijay Banka: In a quarter?

Udit Gupta: Yes, sir.

Vijay Banka: In a quarter, we should do about 2.75 Crores minimum.

Udit Gupta: For FY2024, how much ethanol?

Vijay Banka: 2024 anything between Rs. 10.5 Crores to Rs.11 Crore litres.

Udit Gupta: Sir, is this the ethanol or this include the ESG?

Vijay Banka: No, pure ethanol. Partly made from sugar cane juice and partly made from B heavy molasses.

Udit Gupta: Sir, in the Triveni Engineering calls that they were talking about the return stock recovery being lower. So is there any such problem with us and any diseases in our stock or anything like that.

Vijay Banka: No, this is because of the weather conditions. See Triveni's plants are located across UP. Whereas we have two plants in Bijnor district and one in Bareilly district. So, I mean,

different areas the phenomenon is different. So the ratoon recovery has been lower for most of the sugar mills.

Udit Gupta: But we expect the plant recovery to be better.

Vijay Banka: Yes, we do expect the recovery should be better.

Udit Gupta: And no disease problem in our crop side any of our...

Vijay Banka: No, red rot problem is there in our Bareilly unit. So considering the fact that our recoveries are always better, I mean, we try to improve our recovery from the previous season. So this drag in our recovery is only mainly on account of dropping the recovery in our Bareilly unit.

Udit Gupta: And for that we are trying to change the varietal mix.

Vijay Banka: Varietal mix.

Udit Gupta: But you said that will take four to five years.

Vijay Banka: No, three years.

Udit Gupta: Okay, sir. Thank you so much.

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

Vijay Banka: Thank you, friends. Thank you all the participants for taking active part in this earnings call conference. We derive confidence from your confidence in us. Thank you very much for reposing confidence in us. There is expected to be a paradigm shift in our model, the way we have been operating, so the conventional pattern may or may not be followed in future. Things are going to be different, there is going to be more focus on ethanol and moderation of sugar production & inventory. So we will of course keep you posted with all the developments from time-to-time. Thank you very much.

Moderator: Thank you. On behalf of Dolat Capital that concludes this conference. Thank you for joining us, you may now disconnect your lines.