"E.I.D. Parry (India) Limited Q1 FY-18 Earnings Conference Call"

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Moderator: Ladies and gentlemen, good day and welcome to the E.I.D. Parry Q1 FY18 Earnings Conference Call hosted by Axis Capital Limited.

Kashyap Pujara: Thank you everyone for standing by. It is a great pleasure to have with us the management of E.I.D. Parry. From the management side, we are represented by Mr. Suresh who is the Managing Director and Mr. Suri who is the CFO.

Without taking too much time I now handover the floor to Mr. Suresh. Over to you, sir.

S. Suresh: Good afternoon, all of you. My sincere thanks to all of you for taking time to be part of this conference call.

As requested I will start with a brief of the overall industry. Overall, at the international level the markets are in a subdued mood. There is not much of a shortage situation as far as the overall world supply and demand is concerned. In fact if you look at the international market, the raw sugar prices have been on the declining trend except for the last two weeks where they are slightly gone up and then slightly strengthened. But that is due to the short-term volatility and nothing to do with the overall supply-demand equation. The entire world market is expected to be in a subdued mood.

Coming into India as all of you must be aware, total sugar production for is estimated to be around 20 odd million tons. With the opening stock of around 7.3 million tons and the consumption expected to be around 24 million tons, the closing stock it will be somewhere around 4 million tons. This is also inclusive of the 0.5 million tons of raw sugar import .

The opening stock for the sugar year 2017-18 is firm as almost the production numbers of 20.3 is also firm more or less 99% because the crushing season is coming to an end. However, there could be slight variations in the consumption numbers. The industry is talking about somewhere between 24 million tons to 24.5 million tons. So the closing can be somewhere between 3.75 million tons to 4.25 million tons.

If you translate this at a country level it is roughly equivalent to two months of consumption as on 30th September 2017 closing stock. I am referring the sugar year. So if this is going to be two months of consumption with the crushing season expected to start somewhere in October, early October or mid-October this should by and large give some comfort level position. However, if one has to drill down into the details and then see the geographical spread of these stocks, it shows very clearly that most of the stocks are predominantly lying in the North. That is Uttar Pradesh and these areas. And Rest of India particularly the South and especially Tamil Nadu the stock levels are at the lowest.

This is in spite of the fact that government has allowed that TRQ of 0.5 million tons which almost I think all the sugar mills have participated and whoever has got the allotment they have been able to take it . EID also has got a quantum of around 64,000 tons which has been received and by now this has got processed also.

Of course out of that the share for South which is roughly 0.3 million tons. The program has been successful but this alone may not suffice the need of Tamil Nadu as a consumption center. If you look at average consumption of Tamil Nadu will be somewhere around 1.6 million tons for a year. For the year 2016-17 the production would be somewhere around 1.05 to 1.1 LMT

So by and large there is going to be definite closing stock shortage as far as Tamil Nadu is concerned. That is one area anyway during the discussion I will also talk about what EID has got in mind in terms of how do we address the shortage situation. Also, in October there is going to be lot of special season buying. That is the scenario as far as Tamil Nadu is concerned. Overall the outlook if you look at the season 2017-18 the rains have been good across the country. North as well as West both are expected to bounce back with some big numbers.

The rains are relatively better in Northern Karnataka. Not so good in Maharashtra. Southern Karnataka and Tamilnadu has been having a real poor monsoon. In Tamil Nadu , the dam water levels are so low and water could not be released even for the normal canal irrigation.

So with this, the next year crop is estimated to be somewhere around 24 million tons to 25 million tons. Out of which Tamil Nadu will have a paltry contribution of around 0.5 million tons to 0.55 million tons. That is the extent of drop in the Tamil Nadu cane availability. Overall that is what we will also see the impact which is there for us in Q1. There is a huge drop of cane as far as Tamil Nadu is concerned. And that impact can be seen as well as in Q2.

Hopefully some better rains in August-September can help to some extent the standing crop in Tamil Nadu so that they do not perish before the main season starts in November-December. So with this I would like to give an overview on the performance of the company for Q1 with broad guidelines and then Suri will take you through the further details on this.

The performance of the company for Q1 2017-18 has been largely impacted by the drop-in cane availability for Tamil Nadu. Tamil Nadu has been the only state where we had operations. The cane availability has dropped to the extent of almost 89%. The continued drought condition is the main reason for the same. And of course, the cane availability drops had a cascading effect on the production and sale of sugar, power as well as and the alcohol.

If you look at the import of raw sugar under the TRQ we have done close to around 64,000 tons. Out of which we have processed around 50% in the Q1 and balance expected to be closed by August in terms of processing. So this to some extent should mitigate the volume drop in cane.

The point I would like to mention here is volume drop in cane can be made through the raw sugar import in terms of quantum. However, the same may not be said as far as the revenue and the realizations are concerned. Because the raw sugar will not yield the same level of molasses or will not have the bagasse for cogen etc. Hence you may replace ton-to-ton replacement for cane in terms of equivalent raw sugar. In terms of realizations, the raw sugar imports can help to an extent of only 33% or so. Of course, in quarter 1 the impact has been mitigated to some extent by the increase in sugar price realization by almost 17% compared to the corresponding quarter of the previous year. So this put together has helped in some sort of mitigation. There has been a loss as far as alcohol is also concerned.

Alcohol , all of you must be aware about the recent Supreme Court order which has had an impact on the consumption or offtake by the IMFL units which has really brought down the sale of alcohol. Towards the end of July ,we expect some relaxation in the Supreme Court orders and expect alcohol sales to bounce back and come back to the normalcy.

This is the broad overview as far as sugar is concerned. The impact of the cane has anyway has got a cascading impact in the cogen and alcohol I talked about. If we come to the bio , as a business, topline for Q1 is marginally better than the corresponding quarter of the previous period. As far as bottomline, it has been lower due to the seed cost impact we have mentioned also earlier that we are carrying a high cost seed material which has had a dent on the impact of the profitability of bio as a business.

However, the business is happy to note that the action plan for the neem seed procurement is by and large in place and going forward whatever the losses of bio in Q1 ,we expect to make it up in the coming quarters as our plans for the neem seed procurement is already in place. As far as Nutra is concerned, the topline is lower by around Rs. 5 crores and bottomline is lower by around Rs. 3 crores.

The main impact on Nutra is on account of the lower sale of Spirulina. The problem has been compounded by the rupee appreciation as well in terms of the overall realization. For the balance period, we expect to be almost in line with the last year or slightly better than the last year.

From the Capex perspective, we are investing around Rs. 12 crores on the sugar plants basically to debottleneck in four or five of our sugar plants so that we are better geared up for the coming season.

And another happy news is that the interest cost has been reduced significantly. There has been a reduction in the long-term loans as well as short term loans.

Thus the point to note here is the quarter 1 has not been good at all because of the continued non-availability of cane as far as Tamil Nadu is concerned and will have an impact on the quarter 2 numbers as well

Situations will definitely turn brighter when we get into the quarter 3 where Karnataka's three units and Andhra unit also will start coming back into operation. Andhra the scenario has been really good in terms of the cane availability. Overall cane availability if I have to say Tamil Nadu there has been a drop of around 50% compared to last year. That is the expectation for the current year. And Andhra will be 15% better off compared to last year. Karnataka should be better off somewhere around 25% to 30% compared to last year.

And to make up this shortfall, one set of TRQ has already happened in terms of raw sugar import. Definitely as an industry we will also be pushing with the government in terms of requesting for some more quantity under TRQ because Tamil Nadu is going to be definitely starved off sugar for the normal consumption itself. So those are the avenues which will be available for us as we go forward in terms of mitigating the drop-in cane volumes.

Now I will hand it over to Mr. Suri for the detailed numbers.

V. Suri: Thank you, Suresh. Good afternoon to all of you. I am extremely delighted to be a part of this analyst call and where we can share some numbers and give confidence to the analysts.

Now I will share some specific numbers for the quarter. Now for the purpose of the analysts I just want to remind you that the figures of Q1 2016-17 did not include the merged Parrys Sugar Industries Limited whereas in Q1 2017-18 it includes. So in effect it is not comparable. For the purpose of your analysis I am actually giving numbers including with PSIL for the period Q1 of last year compared to the current year.

As Mr. Suresh already said we had a very subdued quarter primarily coming out of the cane non-availability in Tamil Nadu. We ended up with reporting PBT about Rs. 29 crores loss on a standalone basis as compared to Rs 29 crores profit in last year corresponding quarter. So there has been a Rs. 59 crores swing in terms of the overall profits.

The revenue was also down by about 21% including PSIL and overall we had a turnover of about Rs. 509 crores. On a consolidated basis our PBT was about Rs 50 Crores which is Rs. 25 crores more than last year Q1. PAT was actually flat at around Rs. 20 crores. Overall the consolidated results was better because of good performance from Coromandel.

As far as the operating parameters are concerned I will share some numbers. During the quarter we crushed 62,000 tons of sugarcane primarily only in the Nellikuppam unit of E.I.D. Parry. Correspondingly we had crushed about 5.5 lakhs last year. So there has been a 89% drop in sugar cane crushing during this quarter.

Production for the quarter was about 33,000 tons primarily coming from the raw sugar which we have processed during the quarter. Raw sugar of about 64,000 tons were allocated to us. We have approximately crushed about 50% of that during the quarter. The balance 50% of raw sugar will be processed within one week from now.

As far as the sales is concerned we sold about 1 lakhs tons against the corresponding period of 1.33 lakhs last year. The selling price has been a good story. We continue to get around Rs. 37 to Rs. 37.5 per Kg as an average. And the selling price is now firm and also it is expected to be continuing to be firm for rest of the year because of the factors which Mr. Suresh already shared with you.

We carry about 1.2 lakhs tons of sugar in our stock as on 30 June and the closing stock is valued at around Rs. 31. And moving to the cogen, because of the lack of sugarcane the cogen operations were subdued. Against last year’s 14.5 crores units, we had only exported 2.7 crores units. The cogen average rate has been around Rs 3.8 per unit over corresponding period of Rs 4.68. The primary reason for this is, during corresponding last year period some of the Tamil Nadu units were under short term open access by which we were getting around Rs 5.05. Now all units of us are in PPA in Tamil Nadu, Andhra Pradesh and Karnataka. The Cogen revenue for the quarter has been down by about 81% from about Rs. 63 crores to Rs. 13 crores.

Now moving on to distillery. The alcohol sale during the quarter was 89 lakhs liters. It is about 50% of the corresponding period last year. However, the prices have been good because of the shortage of molasses and we were able to get close to about Rs. 48, Rs. 49 per liter in terms of the overall price.

The ethanol program is on. We had contracted 90 lakhs liters out of which we have already supplied 60 lakhs liters so far. During the quarter, we had supplied about 24 lakhs liters. So there has been no production and sale of RS because we have moved our entire production to ENA so we would not have RS anymore. The revenue for the quarter is overall down by about 9% in distillery.

Now let me go to Bio pesticides business. The revenue was about Rs. 19 crores, little better than the last year corresponding quarter. PBIT was down and as shared by Mr. Suresh the Seed cost was very high last year, it had doubled than the previous year. The technicals were valued high due to the carryover of high cost stock from previous year , which has been sold during Q1. For rest of the year we are going to produce and sell out of new arrivals and the new price of seed. I am happy to share with you that the new arrivals have been good so far and the prices are much lower than the last year. So we expect the bio division to bounce back during the course of the rest of the year and will be better than the last year.

Now moving on to Nutra Division. Nutra Division had a turnover of about Rs. 17 crores against Rs. 22 crores last year and PBIT has been down from Rs. 5 crores to Rs. 2 crores. And

Nutra profits have been affected by the postponement of Spirulina sales and also due to the rupee appreciation which has happened significantly during the quarter.

Now coming to Capex, as Mr. Suresh has already said we would not invest any significant Capex in Tamil Nadu. The entire Capex is now only in the areas where we have cane and also good operating efficiency which is in Karnataka and Andhra Pradesh. So all our plants in Karnataka, Andhra Pradesh are now expanding capacity marginally to take care of the shorter cane cycle which is also expected to be there this year.

And our Ramdurg Unit is actually a leased unit and we are happy to announce to you that DSSK, lessors has decided to expand the capacity of our Ramdurg Unit as well. So we will have an enhanced capacity in our leased unit as well. And we continue to be very prudent in Capexand this year we expect to spend about only Rs. 60 crores of Capex during the year.

The story on the borrowings and the interest cost continued to be good. Our overall long-term borrowings have come down including PSIL to about Rs. 720 crores and which is about Rs. 40 crores down than what we were at the end of March 2017. And short-term loans have also come down by 50% we have reduced the short-term loans by about Rs. 100 crores.

The finance cost has been reduced by about Rs.10 crores on total including PSIL. So we continue to exercise very tight controls on the working capital front. We also exercise good control in the expenses which is reflected in the numbers..

So with that, my sharing of specific numbers on Sugar, Bio, Nutra and overall standalone of E.I.D. Parry is complete. Now we seek questions from the audience.

Moderator: Thank you. Ladies and gentlemen,

We take the first question from the line of H. R. Gala from Finvest. Please go ahead.

H R Gala: Just one thing. Can you give what is the total debt as on 30 June, how much is long term and how much is short term?

V. Suri: Long term we have about Rs. 720 crores.

V. Suri: And short term is about Rs. 100 crores.

H R Gala: Rs. 100 crores so total Rs. 820 crores?

V. Suri: Yes, correct.

H R Gala: That is fine. That was just one data point. Now sir, as far as the full year is concerned last year we had crushed about 44.5 lakhs tons of cane. So what is your expectation for FY18 if things go as per your plan?

S. Suresh: Yes, as per the prevailing conditions in terms of this monsoon, water availability etc we expect somewhere around 12% to 14% drop in the cane availability.

H R Gala: And what kind of recovery do you expect? How much it was in Q1?

V. Suri: Q1 we did not have a significant crushing at all.

H R Gala: Recovery?

V. Suri: So the recovery has no meaning as the crushing was for trivial quantum

H R Gala: But full year do you expect around 10%?

V. Suri: Yes, we will get 10%.

H R Gala: Now sir, as far as ethanol is concerned recently we just read one news item that government is bent upon not increasing the price. So how will it impact our overall say if we even contract what kind of price do we expect?

V. Suri: No, actually we are not very keen to participate in ethanol because it is not very profitable for us. And the industry also will be not be participating in a big way in ethanol. So we expect the ethanol offtake from the mills will be much lower than the last year. So unless there is a necessity to export ethanol we are not going to further participate in ethanol.

H R Gala: Okay but do you think government can put some pressure on the sugar mills?

V. Suri: We do not know at present. But the mechanism is not clear but I do not think it will happen because it has to come with some kind of help to the industry otherwise it does not make any sense for us to now participate in ethanol.

H R Gala: Sir, now as far as our refinery is concerned we are planning some capacity expansion as Mr. Vellayan had said in the AGM?

S. Suresh: I think he had talked about debottlenecking. He had talked about some minor line balancing and then adding up some top up equipments so that the incremental improvement capacities are being planned.

H R Gala: So from 6 lakhs tons how much they can get to?

S. Suresh: Almost around 6 lakhs the capacity will go out to 7 lakhs tons.

H R Gala: And how much Capex will that be?

S. Suresh: There will be a minimal Capex ranging somewhere around Rs. 4 crores to Rs. 5 crores or around.

H R Gala: That is all?

V. Suri: Yes, it is a debottlenecking basically.

H R Gala: And sir, you expect the sugar prices to remain firm although the international prices are coming down as you said in the opening remarks?

S. Suresh: In fact, international prices have come down, they have touched the bottom and they have now re-bounced. And what we have been seeing in the last six months is not every time the domestic is in correlation with the international price. Here it is more governed by the local non-availability. Those are the factors which we expect to keep the prices firm around these levels as far as domestic is concerned.

H R Gala: Sir, how much is the international prices currently, if you can tell me the range?

S. Suresh: Yesterday Raws closed around 14.15 cents, that is on Friday. So it will be somewhere around Rs. 24, Rs. 25 levels. But they have all the duties and another things .

H R Gala: Okay that will be the cost of the raws?

S. Suresh: Yes. White will be another Rs. 2.5 more, international price wise.

H R Gala: Yes, this is only CIF?

S. Suresh: Correct.

H R Gala: Okay so do you think the government will be keen to allow some import looking through the way in which this stock will dwindle in only two months consumption?

S. Suresh: Yes, that is the point we are saying as an industry we will be keen to ask for it. There is a shortage from the consumer perspective. With reference to the mills as such the reduced cane availability will have very low level of capacity utilization.

H R Gala: Yes, that is also true.

S. Suresh: So that will also add up to the cost. So if you get some quantum of raws which if run along with the cane should add some stability to the process runs.

H R Gala: Sir, do you think there is some scope for consolidation or something like that or evaluating getting into some other geographies because I think Tamil Nadu has always been a spoil sport for last few years. So what is your views on that, sir?

V. Suri: See basically as such we have to wait for the monsoon because this is the second year in terms of the drought. So we will have to wait and see how is the monsoon turns around. Currently we do not see any need for any of the change. So lot of things depends on monsoon, government policies and so many things. As such Northeast monsoon, if it comes in good quantum, I think most of the Tamil Nadu should start reviving. Because most of the areas are rain fed only. So I think it is too early to talk about it.

H R Gala: And sir, last question from my side. Last year I think we monetized some of the assets. I think in the con call Mr. Ramesh had said that something like Rs. 17 crores, Rs. 18 crores. How much are we planning this year, sir?

V. Suri: No, we continue to be working on the monetization. But unfortunately, what is happening after the demonetization there has been a dip in the property prices. So we are not actually in a hurry to now monetize because we do not have any pressure on the cash. So once we get a good price and a good party then we will do. So we are constantly on the lookout for monetization but not in a hurry.

H R Gala: And sir, this Rs. 720 crores long term debt these are all term loans?

V. Suri: Yes, term loans out of that see around Rs. 200 crores out of that is all from SDF and SEFASU which we got from the government at subsidized interest . So the rest of them are under bank loans and we have one NCD of about Rs. 100 crores which is due in September 2018.

Whatever possible to pre-pay we have already done. And we are now paying in as per schedule. So in another two years from now we should not have any bank loans at all. If the business continues to do well and we get surplus cash we will be reducing the loans as per schedule.

H R Gala: And this Rs. 820 crores will have average cost of debt how much?

V. Suri: Around 7%.

Moderator: Thank you. Next question is from the line of Achal Lohade from JM Financial. Please go ahead.

Achal Lohade: Sir, first of all my request to you is, if you could share these data points in a press release itself rather than taking the time of the conference call that would be very helpful because we see other peers actually putting up a presentation talking the detail about the cane crushing and the production and the sales volume etc That will help in building the financials actually. Sir, my question is basically in terms of the capacities if you could give us what is the exact capacity as of now in terms of the cane crushing capacity distillery and cogen and when you say Rs. 60 crores of Capex where does it go?

V. Suri: I will first answer the Rs. 60 crores Capex. See what we are doing is as Mr. Suresh had already shared we are now selectively investing in Karnataka and Andhra Pradesh, de-bottlenecking our plants and then to increase the capacity not in all the plants. So now that is the first priority for us. Second thing is now the regular maintenance Capex also consumes another Rs. 20 crores in the sugar plants which includes cogen and distillery. But where we are spending money is actually into now in the bio business and the Nutra business for the new products like Chlorella which was launched last year.

So primarily for the expansion we have spent about Rs. 20 crores to Rs. 25 crores. But rest of all based on efficiencies and also to now be very environment friendly and for safety .

Achal Lohade: And in terms of the capacity if you could help us with that?

S. Suresh: Capacity is roughly around 43,000 tons as far as cane crushing is concerned. We have cogen is around 160 megawatts.

Achal Lohade: 160 and that is exportable surplus, is that right?

S. Suresh: No, this is generation.

Achal Lohade: And exportable?

V. Suri: Exportable will be 60%

Achal Lohade: And distillery?

S. Suresh: And distillery should be somewhere around 234 KLPD.

Achal Lohade: Sir, my second question is about the refinery. What is the loan there as of 30 June in terms of short term and long term?

V. Suri: Yes, refinery we have a long-term loan of Rs. 330 crores. Out of which Rs. 60 crores now actually will be extinguishing in the Q2 for the first time. So long term is about Rs. 330 crores and the short term is about Rs. 800 crores.

Achal Lohade: It requires Rs. 800 crores of working capital?

V. Suri: Yes, because we import and keep it for processing and then sell. So raw sugar, white sugar both put together we keep about 3 lakhs tons

Achal Lohade: So I was just wondering in terms of the margin for the refinery business even though it may be positive at EBITDA level, is it positive at PBT level? I know FY17 it made money but I am just curious to know what is the kind of operating margins, is it $40, $50 per ton, is it $20 a ton?

V. Suri: No, actually at the PBT level it will be about $ 3 to $5per ton.

Achal Lohade: At PBT level, right?

V. Suri: At PBT level.

Achal Lohade: Sir, my next question is about the cane pricing. I know that Maharashtra and Karnataka have approved I am just curious to know in Karnataka is it getting implemented and what are the issues you are facing etc ?

V. Suri: In Karnataka in principle the government is working on RSP, that is Revenue Sharing Formula as given by Mr. Rangarajan Committee . Only last year there was an aberration some of the mills paid extra. So otherwise it is now revolving down to RSP, that Revenue Sharing Formula.

Achal Lohade: But would it be possible to talk a bit about because why I am asking because there has been lot of talk about even UP and Tamil Nadu might consider it. So I am just curious to understand a little bit nuances of these?

S. Suresh: For a farmer , FRP is a particular value at a 9.5% recovery. So in the zones like Karnataka, Maharashtra as well as UP the recovery of Karnataka is somewhere around 11%; Maharashtra will be 11.5%; UP also should be similar levels. So if the FRP for example is 2,300 at 9.5% and if it is going to 11% the pro-rata is going to be the earning for the farmer. So technically the real money which is going to the farmer is higher plus when you go into the RSP it is talking about your sugar price in the market there is a percentage of power revenues you may get out of exports.

There is a percentage of bagasse when you sell in the market you may get some revenue. There is some percentage for the molasses which we are using and that if you are selling outside there is going to be some value. So if you go to FRP or RSP, whenever the prices are going to be then the ability to earn for the farmer is also going to be higher at a higher recovery.

So by-and-large this should augur very well for the farmers when you get in to their revenue sharing. But there could be a little bit of downside when prices go below and when the actual formula of revenue sharing gives a number which is lower than the FRP. Even then the mills will have to pay minimum FRP. That is where if you see the last so many years, last two, three years people are talking about government supporting as using the pay stabilization fund. Because when the prices go down , the mills will not have the wherewithal to pay the FRP.

So the difference between the FRP and RSP is what the mills are requesting the government to cover it up by the government pumping in that particular equivalent money through a price stabilization fund. As and when the prices are over and above the FRP there is no problem, the mills are going to share a part of the revenue back to the farmers. So in Tamil Nadu the same thing is being talked about but Uttar Pradesh and all they are willing to go for this because Maharashtra and Karnataka the model has been successful because of the revenue sharing linked the recovery. The recoveries are better. Tamil Nadu you have to wait and see.

Achal Lohade: So has there been any talk with the government about the linkage or any such conversation?

S. Suresh: Yes, recently Tamil Nadu government has formed a committee of representatives from the industry as well as farmers. That committee has been formed to discuss on what sort of pricing mechanism we need to bring in in order to get in to this revenue sharing. So the meeting has just been convened so maybe you have to wait for how the outcomes are going to come.

Achal Lohade: Right but in Karnataka do you get the unit wise cane prices, how do they arrive at the sugar realization?

S. Suresh: Actually we are supposed to share the details of the prices of sugar, the molasses, bagasse etcetera to the government with all the statistical proofs etc . Then based on them government will compute it and then confirm the price payable mill wise. That is what we are supposed to pay to the farmers.

Achal Lohade: And which is already played out in your view in last year or so when prices have improved?

S. Suresh: 2014-15, 2015-16 does happened. 2016-17 we have submitted to the government we are waiting for the government’s reply.

Achal Lohade: If you could talk about FY17 what was the cane pricing in each of the states, effective cane price, would you be able to give that? Why I am asking is basically I am just trying to see what is the cane price one could assume for FY18?

S. Suresh: Tamil Nadu should be in the range of Rs. 2,550. Then we have Andhra should be somewhere around Rs. 2,700 and Karnataka should be somewhere in the range of Rs. 3,100. This is for 2016-17 or 2017-18?

Achal Lohade: FY17. And one can build marginal increase given the way the sugar prices have been?

V. Suri: No, actually government has announced an FRP of Rs. 2,550 for 2017-18 which is about Rs. 250 more than the current one. Hence to that extent there will be an increment in the cane price.

Achal Lohade: Tamil Nadu has that yet announced the SAP, is that right, sir?

V. Suri: Yes, they have not announced it. That is why the committee has been formed so now they are going to announce the SAP till they close these recommendations of the committee.

Achal Lohade: Just last question, sir, in terms of the replacement cost is it possible to give any hint as to how much your typical plant would cost for what kind of capacity configurations? Would you have any such number handy?

V. Suri: Because it all depends upon the land and all those things.

S. Suresh: All configurations one needs before arriving at any particular CAPEX for a plant. Because what type of cogen, what type of as I want to put a diffuser or a mill.

V. Suri: And also whether integrated plant is required.

S. Suresh: All those things are there. So often it will be difficult to take a number out of that.

Achal Lohade: Just a production number for cogen and distilleries for the first quarter, sir? You have given a sales number what about the production number?

V. Suri: In terms of cogen we produced 2.7 crores units and exported 1.6 crores units. That is on the cogen side. Distillery we actually produced 118 lakh liters and sold 89 lakh liters.

Achal Lohade: And last year same time if you could give that number as well, sir?

V. Suri: Yes, last year on distillery side we sold 172 lakhs liters and 186 lakh liters was the production. And as far as the cogen is concerned we actually last year produced 14.48 crores units and exported 10.3 crores units.

Achal Lohade: So whatever cane crushing volume we are looking at its drop so that should be the similar drop in the other segments as well, would that be fair?

S. Suresh: By and large Q1 that is the thing we are seeing, that is what it should be.

Moderator: Thank you. Well, that was the last question. I now hand the floor over to Mr. Kashyap Pujara for his closing comments.

Kashyap Pujara: That was the last question. And thanks everyone for attending the call and thank you to the management of E.I.D. Parry to be there with us. And we look forward to hosting you again soon.

V. Suri: Thank you very much.

S. Suresh: Thank you so much for joining the call.