



# “EID Parry Q1-FY13 Earnings Conference Call”

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**MODERATORS: MR. RAVINDRA SINGHVI – MANAGING DIRECTOR**  
**MR. SAJIV MENON – HEAD, BIOPRODUCTS &**  
**NUTRACEUTICALS BUSINESS**  
**MR. KASHYAP PUJARA – ANALYST, ENAM SECURITIES**

- Moderator** Ladies and gentlemen good day and welcome to the Q1-FY13 Earnings for EID Parry hosted by Enam Securities Private Ltd.
- Kashyap Pujara** Good afternoon everybody thanks for standing by and it is a pleasure to have with us the management of EID Parry. The management is represented by Mr. Ravindra Singhvi who is the Managing Director and Mr. Sajiv Menon who heads the Bio-products and the Nutraceutical business. I hand over the floor now to Mr. Ravindra Singhvi.
- Ravindra Singhvi** Thank you very much for joining us today. I would like to quickly take you through some of the highlights of Q1. We have ensured that availability of cane to operate all our factories for the entire duration of the quarter. In this quarter, normally 30 days is off but this time we have been able to run all our factories during this quarter. Consequently the cane crushed in this quarter is increased to 16.44 lakh metric tons up by 27% compared to last year 1<sup>st</sup> Quarter. Our recovery has improved significantly from 8.71% to 9.2% as a result our sugar production of about 1.5 lakh metric tons is also up by around 33% and sales is up by about 45% compared to the same period last year. We have benefited significantly from the exports that were allowed. Our distillery productions and cogen operations and exports are up as compared to Q1 of last year. We expect to carry this momentum for the rest of the financial year and expect our productivity and efficiency to continue to improve. Our Bio-products division has also performed satisfactorily. We are now open to questions that you may have. Thank you very much.
- Moderator** We have the first question is from the line of Ruchi Vora from UBS, please go ahead.
- Ruchi Vora** I wanted some operational data, firstly could you help us with the breakup of sugar cane crush between EID Parry Sugar and Sadashiva for the quarter?
- Ravindra Singhvi** Total crushing this quarter was 18.16 lakh out of which 16.45 lakh was crushed by EID standalone and remaining crushed by SSL and PSIL. SSL crushed 18000 MT and PSIL 153000 MT, total consolidated Crushing of sugar cane is 18.16 Lakh MT.
- Ruchi Vora** Could you also help us with the sugar production and sugar sales across these three divisions?
- Ravindra Singhvi** The total sugar production was 1.66 lakh MT and EID Parry standalone sugar quantity was 1.51 lakh MT and SSL was 2000 MT and PSIL was 13,000 MT.
- Ruchi Vora** This you are giving number for SSL and PSIL in terms of the proportion owned or is it 100%?
- Ravindra Singhvi** It is 100%, the numbers represent total production.
- Ruchi Vora** Can you also give us the sales numbers?
- Ravindra Singhvi** Sales for EID Parry standalone, the total quantity was sold by us standalone EID is 1.61 lakhs and SSL was 15,000 tons you can say and PSIL was 44,000.

- Ruchi Vora** Could you help us with what was the EBITDA per kg in the quarter for the sugar segment?
- Ravindra Singhvi** EBITDA per kg for EID standalone or total?
- Ruchi Vora** Sir, anything, I mean standalone plus...
- Ravindra Singhvi** EBITDA standalone of EID Parry of about Rs. 4000 per MT.
- Ruchi Vora** Could you also give us a distillery volume breakup and the power export volume breakup?
- Ravindra Singhvi** EID standalone, total power generation was 1708 lakh units and for SSL the co-gen generated was 68 lakhs units and PSIL 265 lakhs, total units produced was 2041 lakh units.
- Ruchi Vora** The distillery volume?
- Ravindra Singhvi** Distillery volume, EID standalone 113 Lakh liters. PSIL distillery volume was 48 lakh PSIL, total aggregated to 161 Lakh units.
- Ruchi Vora** Could you also give me the EBITDA in power and distillery? In power rupees per unit and distillery rupees per liter?
- Ravindra Singhvi** EBIDTA for power is not normally separate. However we can calculate and send it to you.
- Moderator** We have the next question from the line of Trilok Agarwal from Birla Sunlife Insurance, please go ahead.
- Trilok Agarwal** What is the average sugar realization in the last quarter and second is could you just give us broader outlook on the recent developments in Brazilian market in sugar production and obviously because of deficient rainfall what situations in the Indian sugar that you are expecting next year?
- Ravindra Singhvi** As far as the net realization of the sugar this quarter we had EID standalone Rs.27,400 and total if you take it for the merged companies PSIL, SSL it was roughly around Rs.27, 300.
- Ruchi Vora** On my other two questions if you could throw some light?
- Ravindra Singhvi** What is happening in the Brazil is that for the last three months there were heavy unseasonal rain and because of this the crushing couldn't happen and whatever crushing used to happen the yield and the recovery was very low and even on the crushing was happening the physical export was not happening because of the jamming of the port and because of this the raw sugar supply in the market reduced. Now the Brazil has started crushing. The factories have started harvesting and crushing and the market is back to normal. The excess premium which we were commanding about a month back it is declining and coming to normal situation. So raw sugar which was at 24 cents about 15-20 days back has now come down to 22.5 cents. The market is

coming back to normal. Monsoons in India as of now are in a bad state still we are 20% short in the normal rainfall. Due to shortage of rains, now aharashtra, Karnataka is already reporting poor cane crop, there is a complete decline of about 17 to 18% reported decline in planting in Maharashtra and about similar decline is expected to be in Karnataka. The Tamil Nadu situation is unclear because as of now the rain are deficient but traditionally rain in Tamil Nadu are in the north-east monsoons so normally it is in the month of October. So Tamil Nadu we are keeping as it will continue at the same level. Maharashtra and Karnataka there is a likely decline and UP improved because the last year the prices given in the UP sugar cane prices were very good. A lot of farmers have come back to a cane and UP we expect about 20% excess planting. To that extent it will get neutralized by the shortfall partly by shortfall in the Maharashtra and Karnataka but overall as per the ISMA report the sugar production in the next year likely to fall down to 24 million from 25 million.

- Ruchi Vora** Could you what is exportable power rates that you could fetch in this quarter?
- Ravindra Singhvi** Rates for the EID standalone will be somewhere about Rs. 3.54 per unit and Rs. 3.57 per unit and for PSIL and Sadashiva it will be somewhere around Rs. 3.35 per unit.
- Moderator** We have the next question from the line of Paresh Jain from Max New York Life Insurance.
- Paresh Jain** This average realization was 27.4, this is domestic realization or does it include exports also?
- Ravindra Singhvi** This includes export as well as the levy both.
- Paresh Jain** And if I remember in the previous quarter this was closer towards the same number only 27.5?
- Ravindra Singhvi** Yes, it would be same.
- Paresh Jain** And what are the domestic realizations?
- Ravindra Singhvi** Domestic realizations are somewhere around 28 in this quarter.
- Paresh Jain** And what was it in the previous quarter?
- Ravindra Singhvi** Previous quarter it was around 27,500.
- Paresh Jain** In terms of how much of exports have already taken place and how much more do you foresee now from countries?
- Ravindra Singhvi** So far we have done the exports of 97,000 tons in the first quarter. But, yes, as of now some export orders are pending so will be doing about 55,000 to 60,000 tons of export in this quarter also. Thus the total would become 160,000 MT.
- Paresh Jain** And in terms of the country as a whole, how much of the exports have we done?

**Ravindra Singhvi** It is expected that country may export sugar year to sugar year 3 million tons to 4 million tons but because the domestic market is showing much better realization now, so the exports are declining now.

**Paresh Jain** What is the current realization now?

**Ravindra Singhvi** The current realization of sugar is somewhere around Rs. 34000 Plus per MT.

**Paresh Jain** If I've to do an apple for apple comparison what you're saying is Rs.34 realization versus 28 what we have realized in the previous quarter?

**Ravindra Singhvi** Yes .

**Paresh Jain** And how much did you say what is the crop loss that we expect production decline on production decline that you are expecting in Maharashtra and Karnataka?

**Ravindra Singhvi** As I said Maharashtra already reports are coming that there is a decline of 17 to 18%, Karnataka also the similar decline is likely and Tamil Nadu we mentioned that status quo will be maintained because the rains are also deficient in Tamil Nadu too. The main improvement is coming from UP because of last year, the prices announced by very hefty so UP is giving at least 20% extra bill than last year so part of the losses will get compensated by UP. But still, reports are there that sugar production made declined from 25 to 24.

**Paresh Jain** But rains will not be a problem in UP?

**Ravindra Singhvi** Some part of UP has got the rains so far UP is not that bad like Maharashtra and Karnataka. UP is better off as some rains have been there in the eastern UP.

- Paresh Jain** But will it impact the yields of the recovery from UP?
- Ravindra Singhvi** It will affect yield also. If yield come down then cane has a tendency to absorb its own sugar when there's deficient water so it impacts the recovery too, so both ways it is adversely impacted if the water is not there.
- Moderator** The next question is from the line of Bhavin Chedda from Enam Holding, please go ahead.
- Bhavin Chedda** If you can give us the closing inventory on standalone and each of the companies of sugar and what was the value there?
- Ravindra Singhvi** Closing inventory in EID Parry standalone is about 60000 MT and valuations is at Rs. 24,000. So this is the standalone and PSIL inventory is 35,000 and value at Rs. 21,500. 9000 tons in SSL and valued at 24,500. So all inventory is valued at about 23,000.
- Bhavin Chedda** Roughly on 1 lakh ton of inventory, you will be realizing Rs. 10 more because of the current prices purely based on inventory and the current prices?
- Ravindra Singhvi** You can say that if the price is sustained till the end of the quarter. Just keep in mind that levy is also included here, levies prices is much lower.
- Bhavin Chedda** Secondly I was coming to that question only the sales volumes what you gave during the quarter, can you give us how much was the levy component in that because actually the government is not lifting the 10% levy?
- Ravindra Singhvi** Government is not lifting the 10% levy. EID Standalone, levy is about 32000MT
- Bhavin Chedda** In the sugar division the segment wise results. What is the other figure in the revenue except for sugar because if you try to divide the segment wise revenue by sugar sales volume then the NSR is much higher, so some molasses sales are also included in that number?
- Ravindra Singhvi** Yes, some molasses sale and some scrap, some other operating revenue are added.
- Moderator** The next question is from the line of Falguni Dutta from Jet Age Securities, please go ahead.
- Falguni Dutta** What is the landed cost of cane?
- Ravindra Singhvi** Landed cost of cane EID Parry was Rs. 2241 per MT. Landed cost was Rs. 2118 per MT for PSIL and SSL.
- Falguni Dutta** Broadly what is your outlook on sugar prices domestically given that they have shot up quite a bit some 30 to 34 in very short span so given that demand supply situation is still the supply is not quite tight it is quite okay so in short, what is your view on the sustainability of this price of 34?

- Ravindra Singhvi** This is now the festival time the coming months and this time the Diwali will be in the month of November. So the season is quite long. Monsoon problem is there in Maharashtra and Karnataka normally start the production during the month of October end or beginning of November. So this time the factories will start late, so the sugar season will be longish and the supply will be constantly reducing because of the nonproducing of new sugar year and the labor will also return only after Diwali. This long festive season may have some impact on the sugar prices.
- Falguni Dutta** Though it is very difficult to put in any number on this, but broadly for the sugar season starting October is it safe to assume a price of 33.5 for the average entire season?
- Ravindra Singhvi** Yes, it can be assumed. Our PBIT is somewhere around 1900 so roughly you can say that the cost is 27,000. It is somewhere around 26,400.
- Moderator** The next question is from the line of Baidik Sarkar from Unifi Capital, please go ahead.
- Baidik Sarkar** What is your estimate of India's National closing inventory for the September year and this year?
- Ravindra Singhvi** We expect about is 6 million tons, shall we expect the closing inventory by September sugar year end.
- Baidik Sarkar** Secondly, again from a macro perspective given that the sugar cane acreage has been more than about 10% this year to roughly 52 lakhs hectares and then the cyclical effect of monsoon, of a lower monsoon what is your production estimate largely for the coming year?
- Ravindra Singhvi** Coming year as per the ISMA some time back they estimated at 25 million but since then the monsoon has still weakened and it is not picked up as per the expected levels. So we feel that even 25 million could be little more challenging.
- Baidik Sarkar** And in view of the long festival season what we are talking about what is your consumption estimate, what are your channel checks and your lead indicators are telling you?
- Ravindra Singhvi** This is one of the main consumption for sugar because Diwali and other festivals Ramadan and other festivals are there so there is a tendency to consume more sugar, we expect 2 million tons will be consumed in this period of festival.
- Baidik Sarkar** Any clarity on what the export quota for next year might be from regulatory perspective?
- Ravindra Singhvi** As I'm saying that the 6 million will be the stock even if I assume that 25 million is going to be the production so still we are landing our 31 million availability so giving that the consumption pattern 22.5 to 23 million tons still we have the surplus of 8 million so which is quite robust, so I'm sure that government will consider releasing some quota of minimum 2 to 2.5 million also for next year in these circumstances.



- Moderator** The next question is from Nirav Shah from Antique Stock Broking.
- Nirav Shah** Based on your current assessment what is the target cane crusher expect in the command FY13 which is close to 6.9 in FY12?
- Ravindra Singhvi** We can expect say about it is difficult to say, but we expect a minimum 5.7 to 5.8 million tons of crushing EID standalone and 2.3 to 2.4 million in SSL and PSIL so this will take to say about 8 million.
- Nirav Shah** So that is somewhere closer to 15% increase on year-on-year basis?
- Ravindra Singhvi** You can say that.
- Nirav Shah** Second is that you mentioned your current realization closer to 34.4 in that region. So has that gap between the northern markets and the southern markets narrowed down because earlier the gap used to be on average around Rs. 1 and 0.5 so the cash gap has narrowed down right now?
- Ravindra Singhvi** It is the combination of demand and supply. The sugar prices in South are always lesser than North but this time it is equal because export has mainly taken place from South because of which the availability has declined and resultant improvement in the prices.
- Nirav Shah** And accordingly better profitability because our cane costs are much lower than UP-based companies?
- Ravindra Singhvi** Some time yes.... opportunities are there.
- Moderator** Then we have the next question from the line of Achal Lohade from JM Financial, please go ahead.
- Achal Lohade** What is the expectation on the production from the State of Tamil Nadu for us?
- Ravindra Singhvi** Tamil Nadu year ending by September end Tamil Nadu should produce somewhere around 2.5 million tons of sugar expected.
- Achal Lohade** What are your expectations for the coming season which is sugar year '13?
- Ravindra Singhvi** Sugar year '13 as of now the monsoon is weak and Tamil Nadu also gets a shower in this monsoon, although the main monsoon period is October to December but during this monsoon showers that helps the farmer in planting cane and the most desired water levels in the soil improves moisture and all that so this has not happened this time. So we can say that last year the levels may be comfortably similar to last year.
- Achal Lohade** What is the status on the raw sugar refinery, how is it shaping up is it on track to kind of restart?

- Ravindra Singhvi** Raw sugar refinery is stopped because of non-availability of gas. The sugar refinery is based on gas and we are also one of the victims of non-availability of gas. We could start the refinery at lower level but then we could not get the gas. So we have now stopped the refinery so we are now exploring alternative ways of generating steam. So we are exploring option including a coal steam boiler.
- Achal Lohade** Theoretically, at the current raw sugar prices and the white sugar realization you think what would be the EBITDA, according to you in terms of net of processed costs?
- Ravindra Singhvi** Raw sugar is meant for export only.
- Ruchi Vora** No what I'm trying to ask in a theoretical sense, since we are not operating the refinery right now, what is the EBITDA one can make based on the current raw sugar and white sugar prices?
- Ravindra Singhvi** The cost is around \$120 only.
- Achal Lohade** It is just to break even actually?
- Ravindra Singhvi** It is a breakeven.
- Achal Lohade** What is the process cost when we say \$120 per ton? What is the process cost we are assuming here and like net off excluding the transport cost and the loading and unloading?
- Ravindra Singhvi** Roughly around \$20.
- Achal Lohade** \$20 a ton?
- Ravindra Singhvi** Yes.
- Achal Lohade** Including power and fuel costs?
- Ravindra Singhvi** Yes
- Moderator** We have the next follow-up question from the line of Trilok Agarwal from Birla Sunlife Insurance, please go ahead.
- Trilok Agarwal** Could you explain why the Bio and Nutraceutical business has reported EBIT loss this quarter, where and the top-line has grown very rapidly 148%?
- Sajiv Menon** The top-line has grown now in terms of drop in EBIT there are couple of reasons. One is the seed cost the main seed cost from which the active molecule is extracted the value of stocks that we had carried forward from last year to this year was really were high because seed cost prevailing was very high. It was something about Rs. 31 to a kilo on an average, for current

year once again it has come back to normal levels last year was a particularly bad year and this year is close to Rs. 23 to 24 a kilo so we had that disadvantage, so therefore we will be making up as the year goes by. Second, for both the Bio products and the Nutraceutical business we are making investments in promotion and in sales management by increasing number of people and also in investment in advertising and promotion therefore the fixed cost for the business have actually gone up in case of the bio-pesticides business from about 4.8 crores to about 7 crores and in case of the Nutraceutical business from about 3 crores to 10.5 crores.

- Moderator** The next question is from the line of Paresh Jain from Max New York Life Insurance.
- Paresh Jain** If I heard you correctly you said your cost of production of sugar is close to 27,000, right?
- Ravindra Singhvi** 26,400 cost of production.
- Paresh Jain** Valuing it at 24,000?
- Ravindra Singhvi** Because valuation is based on the year end cost, the whole year of the raw material cost and all that so two seasons are involved, one is sugarcane price for the previous year and case prices current year so that is why the sugar prices are valued. And levy is also included.
- Paresh Jain** This Rs.28 realization when you set for this quarter this is the realization is including levy or it is excluding levy?
- Ravindra Singhvi** No 28,000 was excluding levy, including levy was 27,300.
- Paresh Jain** And exports were a little higher so the net was 27.4?
- Ravindra Singhvi** Yes, 28,000 includes exports otherwise, the prices would have been little lesser than in domestic.
- Paresh Jain** No, what was the pure domestic realization excluding levy and excluding export?
- Ravindra Singhvi** For domestic I mean the prices would have been 27,400 or 500 because we get an additional 7 to 800 in export Rs. 1000 in export for raw and all that so net is 27 to 27,500 could be the for domestic.
- Moderator** Will take the next question from the line of Mr. Kashyap Pujara.
- Kashyap Pujara** Now if you also mentioned that the realization stood at 3.57 as a standalone level those tallies up to a 40 crores numbers where as the segment reporting is showing 58 crores as far as the cogeneration number. So I was just trying to understand what I have missed?

- Ravindra Singhvi** In the cast of Cogen, the own consumption is also one part and 10% is consumed in-house. Inter-segment is also a part of that and it is a gross realizing. Whatever we consume for sugar that is also included here.
- Kashyap Pujara** Are we getting the dues from the state electricity boards on time? How is the situation now in Tamil Nadu?
- Ravindra Singhvi** Last year when we were discussing this problem, the outstanding amount were more than 9 and now fortunately the things have improved because the rates in the domestic market have improved so now the money is being returned in six months' time, some improvement has taken place.
- Puneet** We mentioned that crushing has gone up by almost 27% this year compared to last year same time, but if you look at distillery volumes they have sort of decline could you throw some color on why this is happened?
- Ravindra Singhvi** The volume declined has been deliberate as we are carrying inventories. This is the period in this period of April, May and June the realization is in the distillery products are very low because every factory crushes and they have got high the inventories and all that so we have deliberately kept sales at much lower levels till the extent that we do not have storage and if you look at my ENA was selling at Rs. 28 in this quarter so now the price realizations are at around 33. So there is a Rs. 5 gain.
- Puneet** Should we assume I mean for the rest of the year if you look at nine months for financial point of view for EID would we not deliberately continue to utilizing less of this distillery would be go back to normal levels from next quarter?
- Ravindra Singhvi** Utilizing the distillery is full only holding the volumes for future.
- Moderator** We have the next question from the line of Bharat Seth from Quest Investments, please go ahead.
- Bharat Seth** We were talking of reaching by 2015 bio-nutraceutical, bio-division around 500 crores. Can you throw some light where we are and what is the strategy going ahead and second thing on bio-pesticide we are making money but still bio-nutraceutical last year we were not making money. So when investment phase is likely to be over?
- Sajiv Menon** Like you said bio-pesticide business we are making money Nutraceutical business the good news is that our subsidiary in the US, US Nutraceutical LLC balanced up 44.15 has kind of turned the corner and started making money so one of the investments have started paying off. Overall, we are still on course for the kind of numbers that we had projected for 14-15 and as of now we see ourselves reaching those targets that I've mentioned to you last time.
- Bharat Seth** Where do you see this at PBIT level making money when you reach around 500 crores?

- Sajiv Menon** The PBIT level we should be something about 15% of the turnover for both these businesses.
- Bharat Seth** And going ahead, you are saying faster growth in by bio-nutraceuticals vis-à-vis bio-pesticides?
- Sajiv Menon** The nutraceutical business is fairly early base in India. If you look at the OTC market for instance general healthcare consideration in India is more on the curative mode rather than the prevention mode and OTC products come into play when the prevention mode becomes stronger like in the developed economies in US, Europe and so on. It is a matter of conjecture as of now, as to when we will get onto mode to a preventive kind of mode at least in a sizeable segment of the population, because the growth of the industry would depend on that. However, in terms of exports, which of course, is the ingredient we are seeing fairly good scope because the demand is growing both in the US and in Europe in terms of their desire to manage health cost better. As far as the bio-pesticide business is concerned we need to look at it in two parts, one is exports and the other is domestic. Now in exports our strategy until now has been to export the technical and leave it to some of our distributors and partners to do the formulation, while this has been a benefit to us this is also placed some restrictions on the growth model. So going forward what we're doing is while we will consolidate products with partners for certain segments of the market for certain other segments where hitherto we are not present we will directly get into formulation and thereby capture greater value and therefore increase both the top-line and the profitability. As far as the domestic market is concerned clearly the acceptance of these kind of products bio-pesticides and bio-fertilizer products is on the increase and we see it only growing as we go along.
- Bharat Seth** Can you roughly indicate when we are looking 400-500 crore what kind of export in bio-pesticides and what could be in bio-nutraceutical?
- Sajiv Menon** In the pesticide and fertilizer business years '14-15 the exports should be something like about 35 to 40% of the total turnover. And in the nutraceutical business also it is going to be a very similar situation once the OTC business picks up in the manner that they have envisaged.
- Moderator** The next question is from the line of Romil Jain from Quantum Advises, please go ahead.
- Romil Jain** Can just throw some light on how is the position of cane arrears currently in southern India and North India is specifically UP?
- Ravindra Singhvi** Cane arrears traditionally in North India and it is not much in Tamil Nadu, there is hardly any cane arrears, in Karnataka if at all, there are some cane arrears, it is at very low levels because season has long been closed. UP when they reported last there are huge cane arrears after that the farmers they have represented to the government and some cane arrears have been liquidated. So I feel that 5000 to 6000 crores are still pending in UP.
- Romil Jain** Any numbers and southern India. Like maybe it would be very low, but still any number two, it?

- Ravindra Singhvi** Not reported. I do not think that there is any numbers in southern India.
- Romil Jain** What would be the SAP price or the sugar cane price for the entire year next season going forward, how do you see that in southern India?
- Ravindra Singhvi** SAP is applied only in Tamil Nadu. In Karnataka there is no SAP kind of thing. In Tamil Nadu, the SAP current year ending September 2012 was Rs.2000 and before that that it was 1900 so now again from 1<sup>st</sup> October some increase has come. So we have to wait and watch what is the situation.
- Romil Jain** The price in Maharashtra and Karnataka would be how much overall?
- Ravindra Singhvi** Karnataka prices last time was around Rs.2000 and some increase may take place this time, and Maharashtra prices are a little higher at Rs.23-Rs.2400, three zones are there and different prices for 3 zones.
- Romil Jain** How much increase could you expect in percentage terms if you have anything on that?
- Ravindra Singhvi** It is very difficult to say at this point of time.
- Romil Jain** Could you help me with this blended realization for this distillery business?
- Ravindra Singhvi** Blended realization in distillery ENA in this quarter we have sold at Rs.28 so selling average has been Rs.25.
- Romil Jain** How do you see the crushing days for the next season?
- Ravindra Singhvi** EID Parry will do little over 300 days.
- Romil Jain** What is the cost of debt currently in this quarter that you had?
- Ravindra Singhvi** All net cost will come around 9 %.
- Moderator** We have the next follow-up question from the line of Falguni Dutta from Jet Age Securities, please go ahead.
- Falguni Dutta** Could you please tell me the current RS and ENA prices, ENA, I guess you said 33?
- Ravindra Singhvi** Current prices are 33 and RS prices are 23.
- Moderator** The next question is from the line of Girish Achhipalai from Morgan Stanley, please go ahead.
- Girish Achhipalai** On sugar realization we have seen a 15% rally in the last two months. So, at what level do you think this will settle down, do you this is speculative at this stage?

- Ravindra Singhvi** I would not say it is speculative because two reasons that not much sugar is there in southern India because southern India prices have increased because the main exports were being taken from southern India and this is the festival season at this point of time in the normal sugar prices are high compared to the previous quarter so this time the festival season is longish Diwali is in the month of November. So at least 3 to 3.5 months more to go till the sugar festival season is there so sugar prices are expected to remain robust if not increase much it will continue at this level 34.50 or so.
- Girish Achhipalai** What is your estimate for Tamil Nadu and Karnataka for the next season?
- Ravindra Singhvi** Tamil Nadu, I feel that last time we had produced about 2.5 million tons of sugar so this will continue and Karnataka as the produce about 3.7. So Karnataka may have some decline maybe about 10% decline in Karnataka so between both of them Tamil Nadu will be same and Karnataka will decline by 10%, so it may come to 3.3 or something like that.
- Moderator** The next question is from the line of Kalden Lachungpa from News Wire 18, please go ahead.
- Kalden Lachungpa** Would you be able to give us your update on new refineries, Kakinada refineries?
- Ravindra Singhvi** Kakinada refinery is based on the fuel supply through gas, our boiler steam thermal generator will be based on the gas supply so since the gas has become a problem a big issue we are not getting the gas because of which we had to stop the refinery. So now we are exploring the alternative fuel to supply the steam so coal is one of them.
- Kalden Lachungpa** You said earlier on the output and exports. If you talk about EID Parry how much of sugar output are you expecting in '12-13?
- Ravindra Singhvi** We may expect about 5.5 lakh tons for EID Parry standalone.
- Kalden Lachungpa** And what would be '11-12?
- Ravindra Singhvi** '11-12 was 4 lakh tons.
- Kalden Lachungpa** What about cane crushed '12-13 expectations compared to '11-12 again?
- Ravindra Singhvi** As I said 57-58 lakh tons we expect. For the year, 2011-12, it was 48 lakhs.
- Kalden Lachungpa** You have talked about sugar year for '12-13 starting October, much of sugar has EID Parry exported?
- Ravindra Singhvi** By this time in the sugar year, we would have exported about 2 lakh tons.
- Kalden Lachungpa** Up to October, how much do you expect?

**Ravindra Singhvi** It will become 2.5.

**Moderator** That was the last question from the participants. I would now like to hand the floor back to Mr. Kashyap Pujara for closing comments, over to you sir.

**Kashyap Pujara** Thank you everyone for going through the call and thank you to the management of EID Parry for participating on this call.

**Ravindra Singhvi** Thank you.