

DCM Shriram Consolidated Ltd.
Analysts/Investors Conference Call
January 29, 2007

Moderator - Good afternoon ladies and gentlemen. I am Rita, the moderator for this conference. Welcome to the DSCL conference call. For the duration of the presentation, all participants' line will be in the listen-only mode. I will be standing by for the question and answer session. I would like to hand over the floor to Mr. Nitin Tandon of Citigate. Thank you and over to you sir.

Nitin Tandon - Thank you Rita. Good afternoon ladies and gentlemen welcome to DSCL's Q3 and 9 month FY2007 conference call. Thank you for joining us on this call. Today we have with us Mr. Ajay Shriram, Chairman and Senior Managing Director; Mr. Vikram Shriram, Vice Chairman and Managing Director, Mr. Rajiv Sinha, Deputy Managing Director; and Mr. J. K. Jain, Chief Financial Officer of the Company with us. We will begin this conference call with opening remarks from Mr. Ajay Shriram and Mr. Vikram Shriram after which we will have a question and answer session. I would now like to invite Mr. Ajay Shriram to give us a brief overview of the operations of the Company during the period under review.

Ajay Shriram - Thank you Nitin. I welcome you all once again to DSCL's Q3 and 9 month financial year 2007 conference call. I am pleased to report a satisfactory set of numbers for the period under review. Operationally, we continue to make good progress, which will enable us to post sustained growth over the longer term. As you all are aware over the last few quarters, we have completed our capacity expansions at Kota with terminal capacities which are now as follows; 310 tons per day for the Chlor-Alkali business, 200 tons per day for the PVC resin business, 340 tons per day for the calcium carbide and 125 megawatts for captive power.

The Company completed its capacity expansions in its sugar business to 33,000 TCD during the quarter under review. The Company now has four plants, which are at Ajbapur (where the capacity increased from 7500 TCD to 10,500 TCD), Rupapur which is at 6500 TCD; and our two new Greenfield plants at Hariawan and Loni, which are both at 8000 TCD. Our 20 megawatt cogen power plant commissioning is near completion and this should raise the total power export capability to 27.5 megawatt.

We have also taken a decision to scale up and reduce costs of our Shriram Alkali and Chemical Operations at Bharuch. Towards that end, the board has sanctioned an increase in the Chlor-Alkali capacity from 200 tons per day to 360 tons per day and setting up of a 48 megawatt coal based power plant to replace our existing 24 megawatt furnace oil plant. This will enable us to generate economical power at Bharuch. Our capex outlay for this expansion including the power operation is estimated at Rs. 296 crore which will be funded through internal accruals, and I must mention that with this expansion the Company's total Chlor-Alkali capacity will stand at 670 tons per day.

As you will notice, our plastics and chemical businesses posted better revenues due to increase in volumes and better realizations. However, some of this gain was neutralized by margin challenges in the sugar business. We are committed to our sugar business, which we believe is cyclical, but when we look at it from a long-term perspective, its potential as an integrated business along with gainful utilization of bagasse and molasses to deliver attractive return remains intact.

The fertilizer business is operating satisfactorily and is running at high capacity utilization to make up for part of the short fall due to the planned maintenance shutdown of the plant for 45 days in Q2 FY 07. The conversion to LNG is also expected to be fully completed in the Q1 FY 08. The manufactured fertilizer as well as traded fertilizer business is bearing the brunt of inconsistent government policies leading to uncompensated cost increases and very large subsidy arrears. Our total subsidy arrears have reached Rs. 486 crore. The new urea pricing policy, which was to be effective 1st April 2006, has still not been declared.

Our Fenesta and Hariyali Kisaan businesses continue to be very promising. Currently, they are both in an investment phase and we expect the Fenesta business to operationally breakeven sometime mid next year. Our Fenesta division's order book as on 31st December 2006 stands at 2.03 lakh windows compared to 77,000 windows as on 31st December 2005. Due to the strong demand witnessed in this business, we are expanding our capabilities in Bangalore and Chennai. Further our capacity expansions at the Kota extrusion plant and the Bhiwadi fabrication shop are progressing on schedule. We are also establishing a facility in the eastern region to exploit the opportunity of increased construction activity taking place in that area.

Our Hariyali business continued its growth momentum and we added 10 new outlets during the quarter taking our total number of outlets to 50 as on December 2006. These outlets offer the farmer various services like quality agri inputs, financial services, farm output and access to new markets along with FMCG products. During the quarter, we also introduced a new category by offering the rural community life and health insurance policy options with ICICI Prudential Life Insurance, results of which have been encouraging.

Going forward, we believe that the integrated nature of all our operations will enable us to leverage the strengths of our businesses to reduce cost and build a strong portfolio which will help us enhance our organic growth. Further, we are also excited by the prospects of our new businesses; Hariyali Kisaan Bazaar and Fenesta Building Systems. With that I would now like to invite Vikram to take you through the financial numbers of the Company. Thank you.

Vikram Shiram - Thank you. Good afternoon ladies and gentleman. I would once again like to thank all of you for joining us today on this conference call. I will quickly give you the snap shot of our numbers for this quarter and 9 months ended 31st December 2006.

First, let me take you through our 9month figures. Our revenues increased by 18% to Rs. 2,147.2 crore compared to Rs. 1,817.2 crore in the previous period. PAT was down 32% to Rs. 60.6 crore compared to Rs. 89.2 crore in the previous period resulting in an EPS of Rs. 3.65. During this period, we saw good performance by our plastics business because of volume growth and better price realization and cement business due to

better price realization, while the sugar results were subdued in line with the sector and traded products suffered losses due to uncompensated cost increases by government for traded fertilizer, that is DAP and MOP.

The performance for the 9 months also reflects a planned 45 day shut down in our fertilizer operation where we have also converted to enable the plant to use LNG as feed stock. The net earnings during this period also include effect of higher interest cost, due to increased working capital requirement, as a result of delayed payment of subsidies by the government, higher interest rates in the economy and higher debt raised to implement several capacity expansions. The depreciation charge was also higher with the commissioning of new projects.

Moving onto the quarter under review, our revenues increased by 19% to Rs. 800.3 crore compared to Rs. 674.3 crore in Q3 FY2006. Our operating profit for the quarter was up 5% to Rs. 68.6 crore compared to Rs. 65.1 crore in Q3 FY2006. PAT for Q3 FY2007 was down by 20% to Rs. 19.7 crore resulting in an EPS of Rs. 1.19.

Our chemical businesses operated in a stable price scenario with higher capacities leading to its improved performance. Our expanded capacities at Kota are fully operational which enabled us to record higher volume by 23% during the quarter.

Revenues and profits of our plastics business also delivered improved results on the back of higher volume, as our 200 TPD capacity is now fully operational. The price environment in this business also remained range bound and we expect the prices to remain stable. The volumes increased by 45% during the quarter.

Our fertilizer business delivered steady performance as the plant is working satisfactorily post the completion of planned maintenance shut down. The revenues and profits from our sugar business were lower due to decreased sales (due to lower carried over stocks), declining price realizations and increasing cost. Our performance in sugar is in line with the macro environment of this sector. We continue to expect the sugar performance to remain subdued in the coming 2006-2007 sugar season. While our traded products delivered growth led revenues, earnings continue to remain under pressure due to dependence on subsidy from the Government of India. Going forward, we plan to revamp our product mix of this business keeping in view the inadequacies and delays in receiving the reimbursements from the government.

To conclude, I would like to say that all our businesses have a strong operating base that ensures that we can as corporate ride individual business cycles to deliver results that create sustainable value over the longer term. Thank you.

Nitin Tandon - Rita, we can take the question and answers now.

Moderator - Okay sir. Thank you very much sir. We will now begin the Q&A interactive session. Participants who wish to ask questions, kindly press *1 on your telephone keypad. On pressing *1, participants will get a chance to present there questions on a first-in-line basis. Participants are requested to use only handsets while asking a question. To ask a question, kindly press *1 now. First in line, we have Mr. Dipen from Wealth Advisors. Over to you sir.

Dipen - Good afternoon sir.

Ajay Shriram - Good afternoon.

Dipen - Sir, I just wanted to know any developments regarding your real estate in Delhi?

Ajay Shriram - On our real estate, as we have mentioned before, we have applied to the Government of Delhi for permissions to build it up and to move on it as per the law of land, which was actually given to us by the Supreme Court. So that process is ongoing. It takes time, but we are moving to get clearances from the government.

Dipen - Sir, any expected timeframe by when you will get the permission?

Ajay Shriram - I think you know the problem really is that one this is a large project and that has its own implications in terms of time for clearances. But we are trying to push it, we meet people about it, but I think frankly it would be 10 to 12 months, 14 months. One does not know exactly because these things have to go through such a long procedure that the time taken is very long.

Dipen - Okay, how much land is available for development?

Ajay Shriram - Out of 112 acres, we have handed over 68%, so we have approximately 37 acres which is available for developing. In terms of square footage we can build about 3.8 million square feet, out of which 3 million is in residential and 0.8 million is flatted factories and retail.

Dipen - Can you just bifurcate your revenues from the different segments of your business?

Vikram Shriram - That is there in the results of

Dipen - Okay sir, I have it I will do it. Thank you.

Ajay Shriram - Thank you.

Moderator - Thank you very much sir. Participants who wish to ask questions, kindly press *1 on your telephone keypad. Next in line we have Mr. Sachin from Karma Capital. Over to you sir.

Sachin - Good afternoon.

Ajay Shriram - Good afternoon.

Sachin - I just wanted to have an understanding about the sugarcane price that you have paid for this season and what is the exact demand and supply you envisage in the sugar cane crop.

Ajay Shriram - The price we are paying this year is Rs. 125 to Rs. 130, depending on the normal general variety and early maturing variety.

Sachin - And what was the same last time?

Ajay Shriram - It was Rs. 10 lower.

Sachin - Okay.

Ajay Shriram - Basically, the price increase is Rs. 10 in sugarcane. Unfortunately that linked to the time when the sugar prices have come down, so that has impacted the sugar industry. But in terms of availability, the cane availability should be good, which means that we should be able to produce more sugar than last year as well as our two new factories have been commissioned this year, plus Ajbapur has been expanded, so with all that our total sugar production this year will definitely be much higher than last year and in a way that is a good thing, it gives us a economies of scale.

Sachin - Yes, but the cost of production would definitely be as equal to the selling price now?

Ajay Shriram - Yes.

Sachin - Rs. 130.

Ajay Shriram - Yes, absolutely, the cost of production actually today the cane price directly itself is between 80 to 85% of the selling price, so that is where the pressure point comes in, but in our case especially Ajbapur factory and Hariawan factory, Hariawan the new one, our recoveries are among the highest in the state of Uttar Pradesh and I think that is because of the tremendous amount of cane development work which is done over the last 5, 7, to 10 years, so that gives us a little edge in terms of better recovery, which puts us on a comparable basis possibly a little better than the other.

Sachin - And could we have your views on the caustic soda business outlook?

Ajay Shriram - Well, caustic soda business at the moment last quarter has been fairly satisfactory. At the moment, there are some pressures on prices.

Sachin - What are the current prices?

Ajay Shriram - The current price is about 18,000 ECU.

Sachin - That is pretty bad, because it was around 20,000 to 23,000 last year.

Ajay Shriram - Well, I agree with you, but you know to be honest with you getting a 22,000 to 23,000 is also a little abnormal.

Sachin - Okay.

Ajay Shriram - You know that is extremely high price, which we found in these businesses the price goes up very fast and comes down very fast also, so having a more stable price is better in the long term.

Sachin - Definitely.

Ajay Shriram - Yes.

Sachin - Okay, thanks a lot sir.

Ajay Shriram - Thank you.

Moderator - Thank you very much sir. Next in line we have Mr. Sageraj from B&K Securities.

Sageraj - Yes, this is Sageraj here. I just wanted to know what is the production of sugar in current quarter and why were the sales in terms of volume of sugars down sir?

J.K. Jain - The sales were lower because we were carrying lower carry over stock.

Sageraj - Yes sir.

J.K. Jain - So sales were lower primarily due to low carry over stock. Second, the factories has started little late this time, earlier we had started about 7 or 8 days earlier, so the production was also lower.

Sageraj - Can you give some figure on production front sir?

J.K. Jain - For the quarter, I can give you the production, I don't have quarter figure, but I can give you till date our production is running almost 50% higher than last year.

Sageraj - How much would be in terms of number of bags.

J.K. Jain - It will be about 13 lakh bags this year so far compared to about 8 lakh bags in the same period last year.

Sageraj - Till 9 months how much capex have we incurred till now overall on Company basis?

J.K. Jain - For sugar or for general?

Sageraj - Overall.

J.K. Jain - No, overall we would have incurred almost close to about Rs. 400 crore.

Sageraj - Now going ahead for next quarter, I mean for this

J.K. Jain - We have completed most of the projects now so we don't see any significant capex between now and March except on Hariyali and Fenesta, which will not be very large.

Sageraj - Yes sir, how much are we expecting in 2008, capex.

J.K. Jain - That we still need to firm up, but as our CMD mentioned that there is one project which the board has sanctioned for caustic soda expansion involving a total outlay of about Rs. 300 crore. It is spread over a 2 year period, being completed in 2008-2009.

Sageraj - Okay, fair enough sir.

Ajay Shriram - Thank you.

Sageraj - Thanks a lot sir.

Moderator - Thank you very much sir. Next in line we have Ms. Parul from Stratcap Securities. Over to you mam.

Parul - Good afternoon sir.

Ajay Shriram - Good afternoon.

Parul - Sir, I just have one macro question. I mean given the fact that you know the sugar cycle, I mean the demand, there is a demand supply mismatch and all the players have been caught in a wrong foot as far as the capacity expansion is concerned, now what in your view, what could really be that one trigger which in the next say 1-1/2 to 2 years would change the scenario in your favor, except for say the government's ethanol programs gaining momentum, even that seems to be slowing down, so what could really change the scenario in 1 to 2 years time?

Ajay Shriram - I think there are two to three things which could make a difference. One is issue of our cane development work. I think we could have an edge over others by our intensive cane development work where our quality of cane, the yields per acre and the recovery are concerned, they are better than what others would get, will give us a little comparative edge, that is one. Second, we have been hit very badly by the exports being banned about 8 to 10 months ago and the international prices thereafter fell by about \$100 a ton, but now that the exports have been allowed once again this has an impact on the sentiment in the market and thus sugar prices have gone up marginally by Rs. 40 to Rs. 50. The third is the consumption is also going up fairly regularly and one sees the growth of consumption is running at 4 to 5% so that also will make an impact in terms of the availability. Then I think for a group like us where cogeneration of power is an activity we are pursuing, in another couple of week's time we will commission our addition 20 megawatts of cogen export, so that will give us a capacity of 27 megawatts which we can export out of our group, so that will also help us. But I think, overall, it is a bit of a sustained cycle, what happens is the investments actually, a lot of it in U.P. were driven by the policy of the state government when they had the Rs. 350 crore and Rs. 500 crore schemes, that is why there has been a large addition in capacity in U.P., but as you know one has seen in virtually every industry most of the commodity types were there is an excess capacity then that sort of gets absorbed in the systems through domestic market growth, export growth and then it actually comes back to normal once

again. So the subsidy benefits will also be coming to us, which are not accounted for as yet in our financials anywhere.

Parul - Alright, you know it is just typically the same, the sugar cycle up turn usually lasts for about 6 to 7 years, we started this rally way back in 2003 and then I think it is going to end before much, much before 2009.

Ajay Shriram - Yes, I think you know it has ended now, because I think as we mentioned earlier is the banning on exports last year actually had very detrimental impact on the sugar industry and frankly I think one more factor which effects sugar industry is unfortunately the wholesale price index, the weightage of sugar is about 3.2% to 3.3%, whereas if one looks at it from a household perspective it consumes say 8 to 10 kg of sugar a month, if the price goes up by Rs. 2 to say Rs. 20 a month, that is not all big, but unfortunately in the wholesale price index calculation it is very large, so that has an impact on the inflationary impact, and that has had an impact on sugar. So down the road frankly, I think the government also realizes in our discussions they know that the sugar price is low, if the sugar price is low it will ultimately effect the farmer, because the farmer will not get his payments, there will be large arrears, then he will change over to some other crop, so that we cannot have on a sustained basis.

Parul - Alright, thank you so much.

Ajay Shriram - Okay, thank you.

Moderator - Thank you very much maam. Participants who wish to ask questions, kindly press *1 on your telephone keypad. Next in line we have Mr. Surender Singh Khalsa from Anand Rathi Securities. Over to you sir.

Surender Singh - Sir, I just wanted to get a sense on when exactly will be LNG structure be available in fertilizer, in the sense consequent to that what kind of margin enhancement can we expect from that business?

Ajay Shriram - At this point of time nobody is prepared to enter into a long-term agreement for LNG, so we have started looking around for spot purchases and hopefully by the first quarter of the 2007-2008 we should be able to start getting some spot purchase of LNG. There is no margin enhancement, this is just a change over of feed stock, but what it will do is that the cost of inventory carrying cost everything comes down dramatically and the price itself comes down, so that the subsidy amounts per month will also reduce, so we would have benefit through the reduction in working capital interest.

Surender Singh - Okay and could you also give us some sense on the steps which the Company is taking for the recovery of the arrears?

Ajay Shriram - No, this actually we have taken up at the minister level delegation and met the Finance Minister. We are taking it to the Department of Fertilizer. I am happy to say that our minister has been pretty proactive and has had discussions at all levels on this and has allocated about Rs. 6700 crore, but unfortunately with the really high feed stock prices due to the crude oil prices being the way they were the outstandings have ballooned and you know because we are pegged at what we can sell to the farmer at

,the differential has to be paid to the industry, so the subsidy to the farmer is affecting the industry very substantially now.

Surender Singh - Okay and any plans on getting any interest on the arrears for the industry?

Ajay Shriram - No, unfortunately the government does not do that. We have tried a couple of times, they always say they are considering it, but nothing has happened as yet.

Surender Singh - And sir one related question to that, you also trade in DAPs and other elements in the traded segment, which has delivered about Rs. 5.22 crore loss at the PBT level.

Ajay Shriram - Yes.

Surender Singh - Could you give us a sense on exactly the source of this loss?

Ajay Shriram - Rajiv

Rajiv Sinha - It is actually due to 2 to 3 big reasons; one is of course the prices of DAP and the price which have been finally adopted (by the government) in defining the subsidy calculations is lower, so there is a direct loss, then there was a major depreciation of rupee in the especially the third quarter of the calendar year 2006 and that has not been compensated by the government. The third area is that the railway freights and the road freights have gone up dramatically but government continues to give the freight based on 2002-2003 levels, so there are lot of uncompensated cost and of course PBT you are talking about PBIT level, but at the PBT level, there is also a large interest cost involved because of delays on the subsidy receipt, so all in all uncompensated cost, foreign exchange movement, and incorrect benchmarking of the import price, I think these are some of the factors which have lead to a very sharp under realization of the subsidy from the government.

Surender Singh - Okay, one final question sir, in this quarter you have said you have two companies Anant Thermal Energy and Shriram Bioseed, could you give us some sense on these companies please?

Ajay Shriram - Shriram Bioseed that is set up in Thailand because we wanted to launch our seed business in Thailand, which is just enabling thing, right now the business will take little time to take off. Similarly for Anant Thermal Energy we were wanting to pursuing power as a business, so we have just set up a Company, nothing more has happened on that.

Surender Singh - So both are wholly owned by the Company?

Ajay Shriram - Anant Thermal energy is a 100% subsidiary, whereas Shriram Bioseed (Thailand) is a 100% sub of Shriram Bioseed Genetics India (in which the company has a 51% stake)

Surender Singh - And what would be the capitalization of each of them?

Ajay Shriram - Rs. 5 lakh in Anant Thermal energy and Rs.49 lakhs in Shriram Bioseed (Thailand.)

Surender Singh - Okay, thank you sir.

Ajay Shriram - Thank you.

Moderator - Thank you very much sir. Next in line we have Mr. Yohann from Dalton Capital Advisors. Over to you sir.

Yohann - Yes, good afternoon to you all.

Ajay Shriram - Good afternoon.

Yohann - I had a question on sugar, I just wanted an idea of what kind of utilization would be functioning at right now, is it we have a 33,000 TCD capacity, so what utilization are we at right now?

Ajay Shriram - Well I would say today we are running between 75 and 85% capacity utilization. The two new factories at Hariawan and Loni they are running at between you know the 8000 tons capacities has touched 7500 tons also, but they are still stabilizing, whereas the other two factories, Ajbapur and Rupapur, there the capacity of Ajbapur 10,500 they are crushing 10,000 plus and Rupapur is 6500 they are crushing 6000 plus. So I think on an average we will be running at about 75 to 85% capacity level.

Yohann - And this is primarily because of the cane availability as you build up your cane area and productivity improves.

Ajay Shriram - Yes, cane is there. With new factories, of course little bit of stabilization of the plants is involved because they are new, but the other is just availability of cane and regular supply of cane.

Yohann - Okay. Now moving onto HKB, I just wanted an idea of how the stores are distributed, you said 50 stores, so could you give me a geographic distribution of these stores?

Ajay Shriram - Well bulk of them are in U.P. and then followed by Punjab and Haryana, We have about 6 in Rajasthan and 2 in Uttaranchal.

Yohann - Okay, so mainly northern region.

Ajay Shriram - That is right.

Yohann - Any I mean going forward 150 stores over the next 2 years would they be.

Ajay Shriram - We would increase our footprint to a national level and we are moving into Madhya Pradesh, Andhra Pradesh and later on in Karnataka, and other areas also.

Yohann - Okay and how would, currently how is the sourcing done for these stores for the 50 stores you have right now?

Ajay Shriram - We have our own sourcing team which there is a separate sourcing for all the agri related inputs and there is separate one for all the non-agri which is those consumer items and we are sourcing from within the country and also from certain locations abroad.

Yohann - Okay and this is all done at a centralized location.

Ajay Shriram - That is right.

Yohann - Okay.

Ajay Shriram - And we are creating certain distribution centers, that is more from the logistics point of view.

Yohann - And how is the stores linked as far as ERP or is there some kind of.

Ajay Shriram - Our entire system we have very strong IT back bone based on SAP, and all stores are linked to the central system with SAP based software both for the front retail end as well as the back end.

Yohann - Okay, great, now I just wanted an idea on Fenesta, you mentioned I think the order book is now 2.08 lakh windows.

Ajay Shriram - 2.03 lakh windows.

Yohann - Okay, what was the attrition during the quarter, the order book attrition?

Ajay Shriram - During the last quarter?

Yohann - Last 3 months yes.

Ajay Shriram - I think, last 3 months, I would say last 3 months would be around 60,000 windows.

Yohann - Okay and does this contract

Ajay Shriram - See this is order book, this is not execution.

Yohann - Right, yes.

Ajay Shriram - Because there is a gap between the times when we get the order and an execution of a project would take.

Yohann - 1.5 to 2 years.

Ajay Shriram - That is right.

Yohann - Okay.

Ajay Shriram - Between 12 to 18 months.

Yohann - Great and just wanted to know if this recent order which you bagged from Prestige Estates is this included in this order book.

Ajay Shriram - That is right, yes.

Yohann - It is already included, okay and how much was it for, how many lakh windows approximately how many windows per se.

Ajay Shriram - This was about 70,000 windows; I think the order value was about Rs. 26 crore.

Yohann - Okay this is the same one which you mentioned last time in the conference call, okay.

Ajay Shriram - That was the gross value at Rs. 26 crore.

Yohann - Okay, fair enough, and just one final last question on the real estate property, I wanted to know you said 2/3rd of 108 acres have been relinquished to the government.

Ajay Shriram - 112 acres.

Yohann - 112, sorry.

Ajay Shriram - Out of that 68% has to be handed over to government, which we have already done.

Yohann - Is there any obligation on the part of the Delhi government to develop that land or anyway you know if those obligations are not met the government can somehow claim right to certain portion of that 2/3rd.

Ajay Shriram - That 68% is handed over to the government.

Yohann - Right.

Ajay Shriram - So they have to maintain it and they will do what they want with it. They are not allowed to build on it; it is suppose to be a green belt.

Yohann - Sure.

Ajay Shriram - So, we are also trying to talk with the government to ensure that it remains the green field and does not get encroached upon and things of that type, so the government is clear that they want to maintain it as a green patch and the balance we can build on.

Yohann - Okay, fair enough. Fine sir, that is about it. Thank you.

Ajay Shriram - Thank you.

Moderator - Thank you very much sir. Participants who wish to ask question, kindly press *1 on your telephone keypad. Next is a follow up question from Mr. Surender Singh Khalsa from Anand Rathi Securities. Over to you sir.

Surender Singh - Sir, post the capex expansion on the sugar side of this business to 33,000, could you give us some sense on how much you expect to crush in this current or the next coming season?

Ajay Shriram - This existing season the total cane crush from all our 4 factories, we expect about 330 to 340 lakh quintals, and next year we should touch between 480 to 500 lakh quintals.

Surender Singh - Okay, and sir for HKB which you usually club in other segmental with the other segments, could we have the break ups for HKB alone as a standalone entity?

Ajay Shriram - That we don't have right now, you can get in touch with the Company later and we can give that.

Surender Singh - Thank you.

Ajay Shriram - Okay, thank you.

Moderator - Thank you very much sir. Participants who wish to ask questions, kindly press *1 on your telephone keypad. I repeat, participants who wish to ask questions, kindly press *1 on your telephone keypad. At this moment, there are no further questions from participants. I would like to hand over the floor back to Mr. Ajay Shriram, Chairman and Senior Managing Director of DSCCL for the final remarks. Over to you sir.

Ajay Shriram - Thank you Rita. I would like to thank you all once again for joining us on this conference call and we look forward to meeting you again in the next quarter. If you have any queries, anything please don't hesitate to get in touch with our CFO and we will try to sort out all the queries you may have. Thank you very much once again. Good bye.

Moderator - Ladies and gentlemen, thank you for choosing WebEx conferencing service. That concludes this conference call. Thank you for your participation you may now disconnect your lines. Thank you.

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