



“Dhampur Sugar Mills Limited Q3 FY 2017 Earnings Conference Call”

February 14, 2017



MANAGEMENT: **MR. GAURAV GOEL -- MANAGING DIRECTOR, DHAMPUR SUGAR MILLS LIMITED**
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MODERATOR: **MR. MANISH PODDAR -- RESEARCH ANALYST, RELIGARE CAPITAL MARKETS LIMITED**



*Dhampur Sugar Mills Limited
February 14, 2017*

Moderator:

Good day, ladies and gentlemen, and a very warm welcome to the Dhampur Sugar Mills Limited Q3 FY 2017 Earnings Conference Call hosted by Religare Capital Markets. As a reminder, all participant lines will be in the listen-only mode, there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manish Poddar from Religare Capital Markets. Thank you and over to you, sir.

Manish Poddar:

Hi, everyone, on behalf of Religare Capital Markets I welcome you all for the Q3 FY 2017 Dhampur Sugar Mills Results Con Call.

From the Management, we have with us Mr. Gaurav Goel -- Managing Director; Mr. Arhant Jain -- Executive President (Finance) and Company Secretary; and Mr. Nalin Gupta -- Chief General Manager (Finance); Mr. Vineet Gupta -- General Manager (Finance).

Thank you and over to you sir.

Gaurav Goel:

Thank you, Manish. Good afternoon and a very warm welcome to all at Dhampur's Q3 and 9M FY 2017 Earnings Call.

India had witnessed the first year of deficit in sugar after six years of surplus. Sugar in U. P. is expected to increase while other states in India are expected to decline.

Domestic prices witnessed a strong trend and our current ruling at Rs. 37 per kg ex-mill. With expected lower sugar production, sugar prices are expected to remain strong.

We started crushing in all our mills in early November 2016. Cane crushing up to 31st, December 2016 was at 19.03 lakh tonnes as compared to 12.34 lakh tonnes in the previous year. Recovery was also higher at 10.39 as compared 9.96 in the earlier period.

During this quarter, we have produced 1.98 lakh tonnes of sugar as against 1.16 lakh tonnes in the earlier period. There was an improvement in sugar prices for the Q3 FY 2017 at 35.59 per kg as compared to 27.65 per kg in Q3 of last year.

Sugar prices were also higher for the nine months. This year nine-month average price was 35.5 per kg as compared to 25.51 per kg last year. As of 31st December, 2016, sugar stock stands at 1.68 lakh tonnes which had been valued at an average cost of 32 per kg.

Dhampur's in its power segment exported 12.10 crores units as against 9.36 crores units last year. The average price for power during the quarter stands at 5.04 per unit. We believe that higher cane crushing in the current season should help us run our power plants for higher no. of days which will have a positive impact on our power business.

Our chemical division was stable during Q3 FY 2017, the company has sold 150.24 bulk liters of ethanol at an average price of Rs. 40.15 per liter. The company during the quarter has also sold 47.76 lakhs kgs of chemicals at an average price of Rs. 51.51 per kg.

I would now like to hand over the call to Mr. Arhant Jain who will take you through the numbers for the Q3 and nine months of the Company.

Arhant Jain:

Good afternoon, everyone. Let me begin by stating that we are happy to report a healthy operational as well as financial progress. Our total revenues for the quarter stood at Rs. 672 crores compared to Rs. 531 crores in the corresponding period last year. This was primarily owing to significant improvement in sugar volume and realizations.

EBITDA for the quarter was higher 153% at Rs. 138 crores compared to Rs. 54 crores in Q3 FY 2016. PBT was higher by 9x to Rs. 91 crores compared to Rs. 9 crores in the corresponding period last year. PBT for nine months was also higher at Rs. 200 crores as compared to net loss of Rs. 86 crores in nine months FY 2016.

We believe improvement in our performance is significant due to low cost inventories, higher efficiency, and improved contribution from the power business.

Profit after-tax stood at Rs. 56 crores in Q3 FY 2017 against Rs. 9 crores in the same period last year. During nine months profit after-tax enhanced to Rs. 129 crores against net loss of Rs. 86 crores in nine months of earlier year.

Let me now take you through the business wise performance.

For the quarter ended 31st December, 2016 the Sugar division reported healthy revenues of Rs. 621 crores on the back of higher realizations which contribute to 73% of total revenues as compared to 70% at Rs. 468 crores in the same period last year. Moreover, PBIT in this segment was higher at Rs. 53 crores as compared to loss of Rs. 20 crores in the corresponding quarter of last year.

Our co-generation business continues to favor satisfactory contribution and has complemented positively to our earnings performance. Contribution from co-generation business stood at 17% of the total revenues at Rs. 144 crores compared to Rs. 119 crores last year. PBIT for the quarter stood at Rs. 61 crores as compared to Rs. 45 crores in the last year. We remain positive on this segment as it will enable us to earn healthy earnings going forward.

The ethanol and chemical operations continue to contribute positively to our earnings performance, revenues from this business for the quarter stands at Rs. 86 crores as compared to Rs. 82 crores in the corresponding quarter last year.

PBIT for Q3 FY 2017 was at Rs. 11 crores. Going forward we continue to focus on targeting business opportunities from ethanol, chemicals or rectified spirit segment that offer better margins. These on a broad level are our financial numbers.

Thank you once again for joining us on this conference call. We will be happy to answer any questions that you may have.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin with the Question-and-Answer Session. We will take the first question from the line of Nitin Gosar from Religare Invesco. Please go ahead.

Nitin Gosar: On sugar division, Y-T-D basis I were to see the sales volume they are still down on Y-o-Y basis, any reason over there and going forward what could be the outlook?

Arhant Jain: Sales volume for the quarter have improved from 1.28 lakh tonnes, to 1.41 lakh tonnes and for nine months it is a bit lower.

Gaurav Goel: In Nine months our sales last year was 4.21 lakh tonne compared to 3.9 lakh tonnes of this year.

Nitin Gosar: Yes, it is down so, what could be the outlook going forward. Can we assume that the current momentum will continue of 10% quarter-on-quarter?

Gaurav Goel: Yes, so, we all do believe that our cane crush is going to be higher than what it was last year, as I have said even in my opening remarks our crushing as of now is 19.03 lakh tonnes up to 31st December, 2016 as compared to 12.3 lakh tonnes last year and the sugar that we have made this year is 1.98 lakh tonnes up to 31st December as compared to 1.16 lakh tonnes last year, so our sales going for the next quarter will be higher compared to the previous year.

Nitin Gosar: Okay, perfect, sir. And even on the spreads or the EBIT per kg that you are doing on sugar right now for the quarter it seems to be a bit lower than what you delivered in second quarter. So, the first quarter which is down as compared to second quarter?

Gaurav Goel: You are right on that but there are two items which were taken in Q3 one was society commission that the U. P. government had announced which they withdrew last month. So, we have taken that reversal in this quarter that amount is Rs. 12.75 crores and under the Sugar Wage Board Act there was an extra liability of salaries which has come which for our company is Rs. 8.98 crores. So both these were taken in this Q3. So, the Rs. 21 crores was extra expenses which we have taken into this quarter.

Nitin Gosar: Okay. So, this Rs. 12.75 crores society commission rebate which got withdrew this was for the full year and the impact was only visible during the third quarter?

Gaurav Goel: That is right.

Nitin Gosar: And sir, last question is with regard to debt, what could be the outstanding debt as of today?

Arhant Jain: Yes, our total debt is around Rs. 1,370 crores.

Nitin Gosar: Okay. And going forward we expect it to repay off?

- Gaurav Goel:** Yes, so all the surplus cash flow which the company will generate is being used for bringing down the debt of the company.
- Moderator:** Thank you. We will take the next question from the line of Sudarshan Padmanabhan from Sundaram Mutual Fund. Please go ahead.
- Sudarshan Padmanabhan:** Sir, if you can throw some light on probably the cane cost at this point of time and going forward do we see any increase in the cost of SAP. And also some into I think this time we have seen pretty sharp drop in terms of production from Maharashtra and Karnataka, is this 21 million tonnes production revision, probably next season is going to be normalized in terms of rain then what would be the supply demand dynamics?
- Gaurav Goel:** Okay, thank you. So, the SAP for the current year it is 305 per quintal and for this whole season which will end in about April we all believe that the SAP will stay the same. What will be the SAP in 2017, 2018 is very-very early to comment upon, it will be dependent on a lot of factors. So, I think we have to wait for a couple more quarters for us to be able to talk about what will be the SAP of 2017 and 2018. On your question of India numbers, yes, India, we all do hope and believe that our western and southern states which were really low this year should bounce back. India does need at 25 million tonnes to 26 million tonnes next year otherwise India will have no choice but to import sugar. The planting numbers which have just come right now is still early days, but we all have been told that planting is better in both the states. So, we do hope and believe that sugar production next year will be higher.
- Sudarshan Padmanabhan:** Sure. And sir, I mean, if I am correct with 21 million tonnes our inventory would go down to the extent of 4 million tonnes, I mean as compared to initial we were expecting something like 7 million tonnes. At this juncture, do you think the government would consider importing some amount of sugar into the country?
- Gaurav Goel:** See, ISMA as a body has been in constant touch and there had been a lot of dialog the government has been extremely proactive with us on this. We all are keeping a very-very close watch as to what will be the exact number that India will produce this year. Even if India will need any imports till early days we have a lot of time because the shortage will only be felt after August so, perhaps hopefully in March once we have further clarity on the number then at that point of time we ourselves with the government will talk about if India needs any imports this year or not?
- Sudarshan Padmanabhan:** Sir, just one more last question if I may, broadly how was the sugar production globally because I think UNICA and other agencies have actually done downward revision in the demand supply which was more skewed, so to that extent I think the prices have come down and I think some extent has rebounded. How does probably if India announces that even if they are going to import 0.5 million tonnes, then how does the dynamics play for the international markets?
- Gaurav Goel:** See, markets globally have already sort of assumed in the balance sheet anything from 1 million tonnes to 1.5 million tonnes of imports by India. So, if the imports are up to 1 million tonnes I do not believe or I do not think that the global prices will react too bullishly.

Sudarshan Padmanabhan: How does the supply demand situation now look like because I think there has been some ward revision by UNICA in Brazil?

Gaurav Goel: Yes, so for the year 2017, when they were talking about the deficit, the current numbers expecting that India will jump back to about 25 million tonnes even Thailand is expecting a better crop. So, there might be 2 million tonne surplus this year against 6 million tonne shortage last year. So, the balance sheet even globally does seem to be pretty healthy right now, I am not too overtly worried about global prices going up very-very high right now.

Moderator: Thank you. We will take the next question from the line of Manish Ostwal from Nirmal Bang Securities. Please go ahead.

Manish Ostwal: My question on the recovery rate in the current crushing season how has been that? And secondly, when you say next year sugar production will be higher could you give some indication on the quantum?

Gaurav Goel: Okay. So from our perspective our recoveries are at 10.39 against 9.86% last year. So, we are higher by about 0.4% as of now year-on-year and we all are seeing a healthy trend and we believe that for the overall year also we will be higher than last year. On your other question, India this year should be around 21 million tonnes and it might be slightly lower right now but we will come with our fresh numbers by first week of March. Next year as of now early days but as I said earlier also, we all hope that India should bounce back to around 25 million tonnes next year.

Manish Ostwal: Okay. And secondly sir, do we have any yearly debt repayment number where you would like to target your debt reduction?

Gaurav Goel: See, our own internal target is that whatsoever are the surplus cash flows that the company will have will be used for debt repayment. But our internal target right now is over Rs. 200 crores this year.

Moderator: Thank you. We will take the next question from the line of Aman Sonthalia from AK Securities. Please go ahead.

Aman Sonthalia: Sir, my question is regarding that ISMA had come out with a production figure of around 213 lakh tonnes, whether it is possible, sir this will come because ground reality is that Maharashtra is almost close and Karnataka is almost close and Tamil Nadu, Andhra and Gujarat the production is pretty bad. So, it might not come down below 200 lakh tonnes.

Gaurav Goel: See, again, this was ISMA when like ISMA met about four weeks back this is a sort of number that was spoken about. But we are seeing the pace at which mills are closing down, ISMA in its meeting in March will be again seeing as to what is the number and that is what I said is that in March we will have certain more clarity on exactly how much India will produce and at that point of time in case there is any need for imports, ISMA itself will go to the government and we will start to talk about because we also need a healthy stop in the country, we do not want sugar prices to just go out of hand. So, from that perspective in March ISMA will come out with its revised numbers if any seeing what is the status in the western and the south part of India.

Aman Sonthalia: And second question is regarding two years back in 2015, 2016 whenever I have seen the presentation of all the companies like Balrampur and yours and even Dwarkesh, everywhere I have seen that the consumption is 256 lakh tonnes. But right now everybody is talking of 242 million tonnes, 246 million tonnes, so I do not find that why the difference is huge, whether the consumption has de-grown in last two years?

Gaurav Goel: So, if we all see that last year which was 2016 the India number was 248.5, these are the official numbers. Then what we saw that from October to December quarter 5.5 lakh tonnes was lower sale as compared to last year. There can be a lot of reasons which can be attributed to it. So, yes, at this point of time, so that is why ISMA has also revised down its number of demand seeing what was the 5.5 lakh tonne deficit in Q1. We will be waiting for the Q2 and the Q3 number. As of now, the bulk users of sugar have been saying that there has been certain amount of revival of demand. So, that is why as of now, we have taken a number of 24.2 million tonnes.

Aman Sonthalia: Okay. And sir, one more question regarding Khandsari sugar because right now whatever supplied in the market is sugar produced by the mills and sugar produced by the Khandsari so, right now a lot of Khandsari sugarcane has been diverted to sugar mills. So, definitely, Khandsari production will suffer a lot. So, ultimately the supply in the market will be whatever mill is showing actually some of the production of Khandsari is being taken by registered mills. So, do not you think that part is also taken into account?

Gaurav Goel: See, Khandsari even if we see for the last three years to four years has been a very-very small part of the total sweet demand and Khandsari sugar is inefficient sugar which is at an average recovery of about 8% to 8.5% so, if that cane is coming to sugar mills, sugar will be made more and obviously that demand of sweet which was earlier from Khandsari will come to sugar. That is why we will have to wait and see what is the sort of demand numbers of Q2 and Q3 either way to see the difference might be that from 24.2, we might go 24.5 or to 24.6 at that point of time, in case India does need import to half million tonnes more that will not be a challenge at all. In case imports were at 3 million tonnes or 4 million tonnes then there is a problem because so much sugar I mean how it will come into the country but half a million tonnes or 1 million tonnes for India to import, it will done within a matter of three to four months.

Aman Sonthalia: Okay, that is right and one last question sir, regarding boilers whether it is ready or when it will be implemented?

Gaurav Goel: So, it is in process in our two plants, the Dhampur plant we plan to implement it by July of 2017 and the Asmoli plant by August of 2017.

Aman Sonthalia: So, how much power expect you will see an increase in power export from this to...

Gaurav Goel: Power export is not the reason for which it is being done, it is basically the new GTA rules to in order to operate the plant for 330 days. You have to have this boiler because otherwise you cannot run your plant during the monsoon time. So, this has basically been done to implement from an affluent point of view and not from a power point of view.

- Moderator:** Thank you. We move to the next question from the line of Prashanth Sinha, Individual Investor. Please go ahead.
- Prashanth Sinha:** I would like to ask you that there has been a lot of talk about government will import sugar. So, I just want to know is sugar import reasonable at like what are the prevailing prices in global market and will that not increase our prices domestically if we start importing.
- Gaurav Goel:** See, import India has to do will be done and that is a dialog that we are on. Government is also keeping a very-very close watch and is fully aware and is aware of the fact that import should be done only in case there is deficit and yes, global prices are on the higher side right now. So, both these factors are being spoken about. In case, imports do have to place in what form and shape it will come into the country. So, that we have sufficient stock and also that sugar prices do not go up. So, a very good dialog is on and plan will be put in place if and when India does need to import.
- Prashanth Sinha:** So, I just wanted to actually understand that as the global prices are also up. So, even if India imports so do not you think that the price of importing will be on the higher side as whatever is prevailing in India?
- Gaurav Goel:** See, as of now, your point is valid that as of now imported price is higher than the Indian prices but that is what I said is that we are in dialog we will come up with a plan with the government. Even if global prices are higher but we have to keep an ex-price in India as to how that will be managed, plans are being made for the same.
- Moderator:** Thank you. We will take the next question from the line of Nitin Gosar from Religare Invesco. Please go ahead.
- Nitin Gosar:** Sir, this is just a suggestion. Last time I had made a mention of improvement in presentation, I think that comment has been well accepted and the presentation quality has supremely improved. Incrementally if you can just add-up more numbers in terms of production on your segmental reporting it will help us because you are right now reporting only sales number.
- Gaurav Goel:** So, your point is extremely well taken and we surely will take your view on that and we will add those extra numbers in that.
- Moderator:** Thank you. We will take the next question from the line of Tushar Sarda from Athena Investments. Please go ahead.
- Tushar Sarda:** What is your debt number, that also can be added to be presentation it will be very helpful, some short-term debt and stock positions again the short-term debt.
- Gaurav Goel:** Sure, we will also add that.
- Tushar Sarda:** Okay. Can you share the numbers? The short-term debt as of December.
- Gaurav Goel:** Yes, total is Rs. 1,370 crores out of this term debt is Rs. 550 crores and balance is working capital.

- Tushar Sarda:** And what is the stock against the working capital, value of the stock?
- Gaurav Goel:** Value of the stock will be much more, we will have a margin..
- Tushar Sarda:** Do you have the number of the stock because stock, sugar plus your molasses or ethanol or whatever, right?
- Gaurav Goel:** Yes, it will be combined. But sugar stocks are 1.68 lakh tonnes as of 31st December 2016.
- Tushar Sarda:** And that is valued at Rs. 32?
- Gaurav Goel:** Yes, Rs. 32.
- Tushar Sarda:** So, that is around Rs. 600 crores.
- Gaurav Goel:** Molasses and all finished goods are also included.
- Tushar Sarda:** Then we also have raw material, right sugarcane also going to be there in the stock, right?
- Gaurav Goel:** No, not. Sugarcane is perishable commodity, we cannot have it stock, it is consumed as soon as it comes.
- Tushar Sarda:** Okay. So, sugar is Rs. 600 crores and short-term debt is Rs. 820 crores so this is less.
- Gaurav Goel:** Yes, it includes molasses, bagasse, finished products of distillery, ethanol etc.
- Tushar Sarda:** So, do you have a number or may be offline.
- Gaurav Goel:** And debtors also.
- Tushar Sarda:** Maybe offline and what is the dues to the farmer as of December?
- Gaurav Goel:** There are no dues, total cane price has been cleared as of 31st January well so there are no cane prices arrears as on date also.
- Moderator:** Thank you. We will take the next question from the line of Aman Sonthalia from AK Securities. Please go ahead.
- Aman Sonthalia:** Sir, one question regarding power export volume, please your power export in the fourth quarter.
- Gaurav Goel:** In Q3 our power export was 12.1 crores units compared to 9.36 crores units last year.
- Aman Sonthalia:** No, sir in the fourth quarter how much you are expecting?
- Gaurav Goel:** Fourth quarter will be higher than the Q3. Last year our power export during Q4 was 18.97 lakh of units, we should achieve that and perhaps go a bit higher than that.

- Aman Sonthalia:** Okay. And regarding interest cost, what been our interest cost in the fourth quarter?
- Gaurav Goel:** Still early days Aman because we will have to see what will be our sugar sales during the Q4 dependent on that how much of working capital would be drawn that will be a few probabilities right now for you to be able to comment on exact interest outgo in Q4.
- Aman Sonthalia:** And one last question sir, so many companies have come out with the result sugar company but no one has charged 35% tax. Your company is charging 35% tax any reason behind that and what will be your tax rate liability the fourth quarter?
- Gaurav Goel:** Our total actual tax outgo is MAT as of now but as per Companies Act as of now we all have to charge the full current tax. So, that is why it is being charged but on a cash flows perspective we have to only pay MAT right now.
- Aman Sonthalia:** So, in full year you will charge 35% tax including this deferred tax?
- Gaurav Goel:** Yes, that is right.
- Moderator:** Thank you. We will take the next question from the line of Deepak Madhavdas from LSA Associates. Please go ahead.
- Deepak Madhavdas:** I just missed a point, sir what is the like inventory we are holding in terms of sugar and what would be the average price for that sir?
- Gaurav Goel:** Our inventory as on date, as of 31st December, was 1.68 lakh tonnes and at an average price of Rs. 32 per kilogram.
- Moderator:** Thank you. The next question is from Tushar Sarda from Athena Investments. Please go ahead.
- Tushar Sarda:** I want to know how long would the crushing season last this time, till when do you expect to crush the sugarcane?
- Gaurav Goel:** Two of our mills we all expect to crush till end of March and for three of our mills we are expecting it to go to third week of April.
- Tushar Sarda:** Okay. So, this is longer than last year your crush in terms of number of days it will be higher than last year.
- Gaurav Goel:** Yes, all five plants of our will crush for more days than last year.
- Moderator:** Thank you. We will take the next question from the line of Deepak Kapoor, Individual Investor. Please go ahead.
- Deepak Kapoor:** My question is regarding power business, I am just trying to understand that the power export to the grid how are these PPAs, what the terms and conditions of PPAs? My concern is only coming from the fact that the price of alternate source of renewal power have been dropping dramatically, so is there a

long-term risk over next two years, three years that these prices that you command from the grid come down?

Gaurav Goel: See, as of now our PPAs are for 20 years. So, our PPA as of now our first PPA is expiring in 2026. So, from that perspective at least eight years to nine years we do not believe that there will be any issue on that but your point is extremely well taken even we are fully keeping a check on that, that alternate power is coming to be cheaper.

Deepak Kapoor: Great. So, is it possible that on any Greenfield expansion the contracted prices will be lower?

Gaurav Goel: No, see as of now any new as per the present U. P. ERC guidelines if there is any bagasse based or co-gen power plant the rates right now which they have fixed is 5.9 per unit that was the last PPA that I also heard was done which was last year, so as of now there is no sort of paper which has been made to bring down these rates.

Deepak Kapoor: And even the new PPAs are almost always sign to the very long-term contract.

Gaurav Goel: Yes, they are all 20 years PPA.

Deepak Kapoor: Okay, great. Just a quick question on ethanol, my question to you is that going forward year-on-year ethanol prices would largely keep coming down marginally in these OMC contracts do you agree with that view?

Gaurav Goel: Yes and no, because of the fact that this year we have seen the prices have come down but in case the government does want blending to go up to E10 and that is what PM Mr. Modi has also said. Then if that is to be achieved, we all have to give better price because only then CAPEXs or new Greenfield projects would be put up. So, in case government wants E10 to happen then further CAPEXs have to be done then they will have to come out with a long-term pricing and not a year-on-year pricing.

Deepak Kapoor: Go it. Thank you. One last question, very general question at existing sugarcane, sugar prices, ethanol, etc., Greenfield makes sense at these prices or we still need to get something better in sugar for something to think of Greenfield expansion?

Gaurav Goel: See, as of now I do not think anyone is thinking of any Greenfield expansion to what I have heard of. As of now, in order for Greenfield expansion, it not just about pricing, it is also the availability of the raw material, we all have seen that sugarcane keeps on going up and down. So, from that perspective anybody who is going to do a Greenfield he has to be very sure that his sugarcane availability is stable and the growth area is there.

Moderator: Thank you. We will take the next question from the line of Ashish Bohra from Intensive Fiscal Services. Please go ahead.

Ashish Bohra: Sir, I was seeing December 14, and 15, and 16, operating margins it has going from 3.65% to 9.25% to 19.75% in 2016 December. So, what we are expecting in FY 2017, FY 2018 as an operating margins?

And my second question what do we expect on market share in U. P. in sugar industries because it has been going up from 20% to 25% out of that what will be our market share?

Gaurav Goel: I will take your first question first. U. P. is expected to produce around 8.4 million tonnes and we all ourselves are expecting a 20% to 25% higher sugar this year. So, our total market share in U. P. should be anywhere in the range of 7% to 7.5%. And on your first question of rating margins we are continuously improving on our efficiencies so that should help us grow our margins. Margin will be for the future be totality dependent on what will be the cane price and what will be sugar price.

Moderator: Thank you. We will take the next question from the line of Deepak Madhavdas from LSA Associates. Please go ahead.

Deepak Madhavdas: And sir one thing I just missed out like what is the average price at which we are selling the sugar as of now sir?

Gaurav Goel: So, average price for 31st December was Rs. 35.5 per kg. Currently the prices are around Rs. 37 per kg to Rs. 37.5 per kg.

Deepak Madhavdas: Rs. 37 per kg to Rs. 37.5 per kg., okay, thanks.

Moderator: Thank you. As there are no further questions from the participants, I hand the conference over to the management for their closing comments.

Gaurav Goel: On behalf of Dhampur, I would like to thank all you all for joining our Q3 call. If you have any further questions, please feel free to contact us either by phone or by e-mail. Our website is <http://www.dhampur.com>. Thank you so much once more.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of Religare Capital Markets that concludes this conference call for today. Thank you for joining us and you may now disconnect your lines.