DCM SHRIRAM

BSE Limited Phiroze JeeJeeBhoy Towers, Dalal Street, **Mumbai - 400 001**	National Stock Exchange of India Ltd., “Exchange Plaza”, 5th Floor, Plot No. C-1, G Block, Bandra-Kurla Complex, Bandra (E) **Mumbai – 400 051**
SCRIP CODE : 523367	**SCRIP CODE : DCMSHRIRAM**

Kind Attn: **Department of Corporate Communications/Head - Listing Department**

Sub: **Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Transcript of Analysts/Investors Call**

Dear Sir(s),

This is in continuation to our earlier intimation dated July 18, 2023 regarding Q1 FY’24 Earnings Conference Call for Analysts/Investors of the Company scheduled on Thursday, July 27, 2023 at 4:00 PM (IST), following the announcement of the Company’s Unaudited Financial Results for the quarter ended June 30, 2023.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Transcript of the said Analysts/Investors Call.

The said transcript will also be available on the Company’s website (www.dcmshriram.com).

Kindly take the same on record.

Thanking you,

Yours faithfully,
For DCM Shriram Ltd.

Sameet
Gambhir

Digitally signed by Sameet Gambhir
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Sameet Gambhir
Company Secretary & Compliance Officer

Dated: August 2, 2023

Encl.: as above

DCM Shriram Limited
Q1 & FY'24 Earnings Conference Call
July 27, 2023

Moderator: Ladies and gentlemen, good day and welcome to the DCM Shriram Limited Q1 FY'24 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Siddharth Rangnekar from CDR India. Thank you and over to you sir.

Siddharth Rangnekar: Thank you Neerav. Good afternoon and welcome to DCM Shriram Limited's Q1 FY'24 Earnings Conference Call.

Today, we have with us Mr. Ajay Shriram -- Chairman & Senior Managing Director; Mr. Vikram Shriram – Vice Chairman & Managing Director; Mr. Ajit Shriram -- Joint Managing Director; Mr. K.K. Kaul -- Whole-Time Director; and Mr. Amit Agarwal -- CFO of the company.

We shall commence with remarks from Mr. Ajay Shriram and Mr. Vikram Shriram. Members of the audience will get an opportunity to ask their queries to the management subsequent to their remarks during the interactive question-and-answer session.

Before we begin, please note that some of the statements made on today's call could be forward-looking in nature and a note to this effect has been included in a Conference Call Invite that has been circulated earlier.

I would now like to invite Mr. Ajay Shriram to give us a brief overview. Over to you, sir.

Ajay Sriram: Thank you, Siddharth. Good afternoon, ladies and gentlemen. Thank you for joining us for our Q1 Financial Year '24 Earnings Conference Call. I hope all of you are keeping safe and in good health.

I will give you an overview of the "Operating Environment" of our businesses and progress on our "Growth Initiatives." following which Vikram will give a perspective on our "Business Performance."

The world economy continues to face headwinds and is yet to stabilize from the effects of the COVID-19 pandemic and extended Russia-Ukraine conflict. These factors have led to cascading effects of high inflation, high interest and slow growth globally.These have severely impacted the supply chain balance. Climate change is further adding to uncertainties and it is a tough operating environment.

Our Chemicals and Vinyl businesses are facing challenges as a result of global disruptions in demand, supply and costs. Our ongoing investments to optimize costs, enhance scale and integration will provide strength to the Chemicals business.

The Sugar business environment is stable and the recently concluded CAPEX cycle will add to the earnings.

Our Shriram Farm Solutions and Fenesta businesses are witnessing good growth and have become significant contributors to our earnings.

Sustainability is key to our business performance and growth. We are cognizant of the impact of climate change and have taken steps to reduce our carbon footprint, improve resource utilization and conserve water. Out of the total direct energy consumed, 42% is green and we are 12 times water positive. The supply of up to 43 megawatts renewable power has started in this quarter.

There are multiple initiatives being undertaken at the manufacturing plants to optimize energy, reduce waste generation as well as add value to waste. We also have a strong framework on social issues and governance. We have been ranked among the top 7% global chemical company as per the "Sustainability Assessment by S&P Global, based on Dow Jones Sustainability Index.

With that, I would now like to walk you through our various businesses:

Chemicals:

The global supply outweighed demand in major consuming regions and more notably, in India, given the significant capacity additions. There is demand slowdown in major economies such as Europe and US for the reasons stated earlier, which is impacting demand in India, especially in the textiles and related industries as well as other downstream chemical industries. These factors have led to consistent fall in product prices globally and in India over the last three quarters. Hydrogen demand and prices continue to be stable. The product cost has started coming down sequentially. However, the decline in finished product prices is sharper, leading to lower margin. We expect our cost structure to improve from 3rd Quarter and onwards with benefits from further decline in coal prices, commissioning of our new 120 MW coal-based power plant and 43 megawatts of renewable power. We have started sourcing renewable power from June. onwards and it is being ramped-up.

Our projects will start getting Commissioned from 2nd Quarter onwards with the120 MW power plant. All other the projects will get commissioned within the 3rd Quarter. Our team is putting in its best efforts to commission them as per stated timelines.

Vinyl:

Global demand for PVC is driven by the housing sector. High interest rates have led to slowdown in growth in this sector in most of the large economies. The capacity utilization of PVC plants worldwide have increased hence the supply is outweighing demand. China is the largest producer of PVC and has added capacities. However, the demand has not picked up and they are dumping PVC into global markets. China is also the largest exporter to India because of the freight advantage. The global prices have remained subdued including in India, which imports about 55% of its requirements. We are improving our cost structure and have been able to reduce the energy costs with lower coal prices and a significant increase in the use of biomass at our Kota complex.

Despite these efforts, our margins are subdued. Industry has made representation to the Government with respect to re-imposition of anti-dumping duty, however, we are yet to get a favorable response.

Sugar:

World sugar balance is expected to be marginally in deficit for sugar season ‘22-23. The international prices are firm at around USD 690 per metric ton for white sugar. However, this has limited impact on domestic prices because of restrictions of exports and the domestic release mechanism.

Domestic sugar production estimates for sugar season ‘22-23 is at 32.8 million metric tons and the season-end inventory level is expected to be 4.5 million metric tons.

We concluded sugar operations in the month of May with significantly higher sugar cane crush as well as better recovery versus the last season.

Most of our sugar expansion projects were commissioned last year. The 260 kiloliters per day grain-based distillery process was started in the current quarter. We will see the full year benefits of all expansions in the current financial year.

The Central Government recently increased the FRP of sugar cane to Rs. 315 for the upcoming season. However, the cane cost in Uttar Pradesh continues to be higher at the state-advised price of Rs. 350 per quintal. The increase in the state-advised price happened in season ‘21-22, which has not yet been fully compensated by the increase in sugar and ethanol prices.

Recently FCI has stopped the supply of rice for ethanol production. This will impact grain-based distillery operations across India. There is a need to have more rational and consistent government policy for sugar as well as ethanol which supports the farmer, the industry as well as the consumer.

The Board of Directors have approved a 12 tonnes per day compressed biogas project at Ajbapur unit with an investment of Rs. 131 crore to be commissioned by Q4 Financial Year '25. This will add to our green footprint along with value-addition to press mud, a byproduct of the sugar operation.

Fenesta Building Systems:

The business has emerged as a notable contributor to our performance. We continue to record healthy growth on the back of enhanced distribution and wider product range.

Our Project segment continues to record good growth both in volumes and pricing. In addition to products in UPVC categories, we are growing in aluminum windows and in WPC and engineered wood doors.

The expansion at our Kota extrusion plant and the fabrication unit for glass facades is expected to commence towards the end of this quarter.

Shriram Farm Solutions:

This is another business that has emerged as a notable contributor to our performance. We are focusing on new technologies and our own research-based products which has already started contributing and will drive the growth of the business going forward.

We started our own manufacturing of some of Crop Care Chemicals last year and by Q4-2024 we will start manufacturing some of the plant nutrition products like water soluble fertilizers and biologicals at our factory at Kota.

We are also entering into technology tie ups to bring new and innovative products to the farmers.

Fertilizer:

The business is stable. Gas prices have come down, which implies lower turnover since this is a pass through and lower subsidy build up. Subsidy payments from the government have been absolutely regular.

Bioseed:

The business is seeing better traction in India.

International business is stable. We are focusing on the pipeline for new products. We are also optimizing costs and will further improve performance in this segment.

Ladies and gentlemen, our growth agenda is nearing completion. We shall harness the combined benefits of our strategic CAPEX that is designed to give key segments a growth and value creating impetus. This CAPEX will also augment our capability to better navigate the volatile industry dynamics. We will continue to invest in growth driven by our cash flows and a healthy balance sheet.

I will now request Vikram to give you a perspective on our business performance. Vikram, over to you.

Vikram Shriram: Thank you. Good evening everyone.

I will now take you through the "Business Performance" for Q1 Financial Year '24:

Net revenues for Q1 Financial Year '24 stood at Rs. 2,780 crore versus Rs. 2851 crore in Q1 Financial Year '23, a decline of 2% impacted by lower prices and volumes in Chloro-Vinyl segment.

Sugar, Fenesta and Shriram Farm Solutions led growth for the quarter. PBDIT for Q1 Financial Year '24 was at Rs. 183 crore versus Rs. 464 crore in Q1 financial Year '23, a decline of 60% driven by lower product prices of Chloro-Vinyl segments.

Chemicals:

The Chemicals business reported revenues of Rs. 536 crore, a decline of 40% year-on-year.

ECU prices were lower by 41% and volumes of caustic soda were down by 9% year-on-year.

Hydrogen volumes and prices are stable. PBDIT was Rs. 36 crore, down 90%. Input cost, especially energy prices, have started coming down but are still at elevated levels versus last year.

Vinyl:

The Vinyl business saw a decline in revenues by 32% year-on-year at Rs. 164 crore impacted by decline in prices of PVC and Carbide by 39% and 30% respectively. However, volumes of PVC and Carbide increased by 4% and 19% respectively. PBDIT was Rs. (-3) crore versus Rs. (+70) crore last year. Costs have come down but are not enough to mitigate the impact of lower prices.

Sugar:

In the Sugar business revenues net of excise duty was at Rs. 958 crore, an increase of 35% year-on-year due to higher prices and volumes. Sugar volumes were up 41% year-on-year due to higher domestic releases and exports.

The volumes of ethanol were 359 lakh liters versus 350 lakh liters last year. Sugar prices both domestic and exports were also higher by 3% and 25%

respectively. Ethanol prices also were higher. PBDIT was higher at Rs. 88 crore as against Rs. 22 crore for the above reason. Increase in sugar and ethanol prices are still not commensurate with the increase in sugar cane costs done in the last season.

In terms of crush, we closed this season with the crush of 652 lakh quintals versus 549 lakh quintals last season attributed to better crop and commissioning of sugar expansion projects. Sugar recovery on C-Heavy molasses operations is 11.44% higher 19 basis points over last year.

We diverted approximately 11 lakh quintals of sugar for ethanol production via B-Heavy and juice.

Fenesta Building Systems:

Fenesta Building Systems revenue increased by 15% year-on-year to Rs. 192 crore and PBDIT by 23% to Rs. 40 crore. Growth was driven by volumes and pricing in the projects category.

Retail and projects categories both saw higher order bookings in the quarter with an overall increase of 13% year-on-year at Rs. 208 crore.

Shriram Farm Solutions:

Shriram Farm Solutions revenues increased by 8% year-on-year at Rs. 236 crore, supported by a strong performance in the category of seeds and crop protection. PBDIT for the quarter came in at Rs. 11 crore as against Rs. 18 crore last year on account of higher marketing expenses. The team is working on strengthening the Shriram brand and increasing geographical expansion.

Fertilizer:

Fertilizer revenues were higher by 18% year-on-year at Rs. 378 crore and PBDIT was Rs. 23 crore versus Rs. (-17) crore last year. Planned maintenance shutdown in the last year resulted in volumes for this year being higher by 62% along with better efficiencies and lower maintenance costs. In Q1 Financial Year ‘24 prices were lower by 28% year-on-year on account of lower energy prices, which are a pass through.

The urea subsidy outstanding is at Rs. 83 crore versus Rs. 462 crore at the same time last year.

Bioseed:

Bioseed segment revenue increase of 4% year-on-year at Rs. 213 crore and PBDIT was up 17% at Rs. 23 crore. This was primarily led by the domestic revenues, which increased by 5% year-on-year at Rs. 186 crore.

Debt:

The Company's net debt has increased from Rs. 8 crore as of June 30th, 2022, to Rs. 926 crore as of June 30th, 2023. This is on account of the ongoing expansion projects amounting to Rs. 3500 crore.

Return on Capital Employed:

Return on Capital Employed for June '23 came in lower at 21% as compared to 37% for June '22.

On the whole, we will aspire to deliver a continuous and sustainable growth, keeping our balance sheet and cash flows healthy.

This brings me to the end of my opening remarks. I would now like to request the Moderator to please open the forum for a question-and-answer session.

Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ahmed Madha From Unify Capital. Please go ahead.

Ahmed Madha: My first question is on the caustic business. If I look at the way the prices were in March and if I look at the import prices, it was about $440 to $430 a ton and it has fallen to about $390 to $400 a ton which is a fall of about 7% to 8%. But if I look at our realization, which we reported in a presentation in March was about 36,000 and in June it is about 27,000, which is about 25% fall so what explains this divergence between 7% fall and 25% fall?

Ajay Shriram: In terms of the prices actually speaking year ago, the price was in the range of about $650 and in the month of July, international price came down to $310. That is the reason why there is this sharp drop in prices of the final product because international prices have dropped dramatically and people can import it and you are aware that there is a match between international price delivered and domestic prices.

Ahmed Madha: But still the divergence isn't large which doesn't explain the fall for our domestic realization?

Ajay Shriram: No, I'm saying that prices have fallen and also what happens is that capacities are coming up as you are aware within India. Due to that when there is a pressure on chlorine then chlorine has its own negative pricing. So that has an added impact on making the ECU, which is combined price of caustic and chlorine, even lower, so that is the market price at which we are selling now.

Amit Agarwal: Just want to add Ahmed that in the month of January, February, March international prices were ranging from about $600 in January and they came down to close to about $420 as you rightly mentioned in March so even the average international prices were better and therefore our realization averaged around 37,000 in Q4. Now in Q1, the average international prices have been around $420 and the international prices are definitely further come down from about 37,000, now they have come down to 310 in July. And the domestic price has seen a little sharper fall. And that also as CMD sir rightly mentioned that the capacities that have come up in the country, that's also putting pressure.

Ahmed Madha: And on the cost side over last quarter first our understanding was that there was some inventory which we had for the coal and that was depleted and from Q1 we were supposed to have low-cost inventory. but I don't see a decline of cost here. So, what explains that thing?

Amit Agarwal: If you look at sequentially the sequentially my cost of production has come down by about 10%. However, the fall in prices has been much sharper. The fall in prices has been about 20% between Q4 last year to Q1 this year. So that's the reason why we're not seeing an impact in the margins but otherwise costs have come down over 10% and as we mentioned in the opening remarks, we should see a little more decline in Q2, but a major decline will then start coming from Q3 onwards.

Ahmed Madha: In the PVC segment, do we still see the weakness which we saw in Q1 or is there any improvement which we are witnessing?

Ajay Shriram: On the PVC front India actually last year we had the most remunerative prices ever. It starts at Rs. 1.50 lakh per metric tons & around that. Then they dropped to about Rs. 75,000 per metric ton in the last few months. And the international price also was over $780, now it has gone up marginally. The international prices have gone up to over $800 to $810. But it's too early to say because China has also got back into manufacturing, but the economy is not picking up adequately for consumption, so they are dumping. As I mentioned earlier, we are working with the Government to see how to bring in some anti-dumping duty coming in from China. So, we hope that can happen over the next couple of months that should help us in improving our prices a little bit, but there is pressure because India imports about 55% of the PVC requirement so we are linked to the international price.

Amit Agarwal: And here again, just to add on the cost front, we are consistently improving quarter-on-quarter and this quarter again there will be improvement, but then prices are not in our control.

Moderator: Thank you. Next question is from the line of Riya Mehta from Aequitas Investments. Please go ahead.

Riya Mehta: My first question will be in terms of what are the current domestic ECUs in the month of July?

Amit Agarwal: They are a little below 27,000.

Riya Mehta: And what will be the chlorine cost in this negative?

Amit Agarwal: Chlorine ballpark around (-4000).

Riya Mehta: Second would be in terms of we were seeing some demand in exports for caustic, last year also we've seen some growth. So, are we seeing continuing growth there?

Amit Agarwal: Exports have grown but I would say they're not to what we expected given that again as mentioned in the opening remarks that globally the supply is increased because of better capacity utilization in Europe because we were exporting to Europe and many other countries We are not flooding the market and even Europe has become an exporter of caustic. So, there is an oversupply situation globally.

Riya Mehta: And in terms of demand, we're seeing some comeback in paper demand as well as other alumina, etc. Do you think that will make up for the loss of demand in textile or maybe the H2 demand would be better?

Ajay Shriram: Sorry, can you repeat that please?

Riya Mehta: We're seeing some growth and demand in paper sector as well as alumina sector. So, do we think that that will offset the decline in textile and the capacity utilization will increase going forward?

Ajay Shriram: We feel that a couple of quarters there will be a little stress because even though you're right, textiles is also stable, but papers are also going up, but new capacity additions are happening so that creates its own stress. So, this is something which is a matter of concern and international prices are low. So, all that combined, I think there is going to be stress for a little while.

Riya Mehta: My second question is in terms of ECH, what are the current prices and are we still seeing some traction there and when do we plan to commission our plant there?

Amit Agarwal: ECH current prices are in the range of Rs. 102 to Rs, 103 per kg and the crude glycerin, which is a key raw material would be around Rs. 31 to Rs. 32.00 per kg. So, both of them have come down and therefore the margins, although they are lower in absolute terms but the EBITDA margins would be in the range of around 18% to 19%. And in terms of our commissioning as mentioned, we will be commissioning the ECH plant in Q3.

Riya Mehta: My third question is in terms of sugar; we've been hearing that in UP there is some problems relating to OMC off-take of ethanol. Are you facing something like that and what is your view on that?

Amit Agarwal: No, there is no issue in terms of OMC off-take of ethanol. They have to meet their targets. There is enough gap between the tender and the contract.

Riya Mehta: Because we heard that there are some logistics issues at the end of the OMCs and they are filled with ethanol so they're not buying anything right now in Q2?

Amit Agarwal: Temporary issues can be there.

Riya Mehta: And in terms of grain-based facilities and since the Government is not going to provide with broken rice anymore, what will be the impact on the margins for this as compared to when we had planned in the planning stage?

Amit Agarwal: It's a little early right now say because we will look at one option is the FCI rice. The other option is to get from the market. Now there are a lot of factors, I don't think it's right time to give you the impact on the margin. Yes, some impact will be there but how much is difficult to say because we would like to now procure it from the market that is one and we don't know till how long the FCI ban will stay so there are multiple factors, too early right now.

Riya Mehta: And in terms of profitability post this non-availability of FCI rice, will it be B-Heavy then syrup and then grain, am I right?

Ajit Shriram: As Amit mentioned, it's a little early to talk about this because there are discussions going on with the Government for grains for ethanol otherwise we will not be able to meet the PM's target for ethanol blending percentage. So those discussions are on and we do hope that some kind of a resolution comes up in the next few days.

Amit Agarwal: I would also like to add that the total contracted value for grain-based ethanol is 130 lakh liters and what has been supply till now is only 60 lakh liters so that itself is a gap. So that also has to be covered otherwise it'll be less amount available.

Riya Mehta: In terms of Vinyl, my question is since we are working at currently negative EBIT levels, till what price will we go and produce more of Vinyl?

Ajay Shriram: We are actually making Carbide and Vinyl PVC so we play between the two, whichever gets the better realization will come. We are not trying to stop production by any chance.

Vikram Shriram: And anyway, there's a contribution.

Riya Mehta: It is actually (-7) crore EBIT.

Vikram Shriram: No, but there's a contribution and there's a fixed cost before the EBIT.

Riya Mehta: And what will be the current Chlorine utilization for us?

Amit Agarwal: Chlorine utilization in the Baruch plant, where we have almost 60% to 70% of the current capacity there 40% we are supplying through pipeline and captive is about 4% to 5%, which will increase to 15% once all of the downstream plants come up. And so ballpark as you can assume that Bharuch will be close to about 50% to 55% captive or through pipelines. The Kota complex is almost 30% to 35% captive.

Moderator: Thank you. Next question is from the line of Pratik Tholiya from Systematix Group. Please go ahead.

Pratik Tholiya: Just wanted to understand one thing typically the understanding that we had was when the prices come down and the cost is high, many small and marginal players tend to rationalize their capacity in order to reduce the supply, which kind of supports the realizations and therefore there is some balance that we see in the industry. If anything of that sort likely to happen, considering that the costs are still pretty much higher like you mentioned, and realizations are at 27,000 so anything like that are we foreseeing?

Ajay Shriram: No, that is something which is not allowed either and industries are trying to gain whatever they can make by own, everyone is running at a reduced capacity, so it's already running at reduced capacity where each one working on their own position in the market.

Pratik Tholiya: We are basically backward integrated and we also have a captive power so we would be still better off in the cost curve versus some of the others who will be actually leading at current realization levels. So, would they not be kind of curtailing their capacity?

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Ajay Shriram: So, each one is working on whatever works out for them and some people are working in a little higher capacity utilization, some are working a little lower depending on their cost of production, depending on the offtakes within the radius of their factory where the freight costs are also within control, each company has to work out their own economics.

Pratik Tholiya: And just secondly, could you just talk a little bit on this CBG plant that you're putting up, what sort of opportunity is available and this Rs. 130-odd crore that we're investing, what sort of IRRs are we targeting over here?

Amit Agarwal: This is a coming up sector one because this is from biomass and for us it's like adding value to our byproduct. And the other thing is if you see CBG is equivalent to CNG, which is a cleaner fuel, so the opportunities are immense. We've just made our first beginning here and in terms of returns it will be in the range of around 18% to 19% return on investment. And probably we do see that going forward, the technology will improve from the way it is right now. That should further improve efficiencies and help return further. This sector will undergo a change. This is just starting.

Pratik Tholiya: And the raw material you said will be basically press mud, which is a waste product in the sugar.

Amit Agarwal: Yes.

Moderator: Thank you. Next question is from the line of Rohit Nagaraj from Centrum Broking. Please go ahead.

Rohit Nagraj: My first question is broadly from a medium-term strategy perspective, now that most of our plans are likely to get commissioned in near future, from a capital allocation perspective, particularly talking from the Chemicals business, what is the thought process from the management in terms of diversifying into any other streams of chemicals apart from the existing ones where we already are amongst the market leader and we have first mover advantage in ECH, etc. So, what's the broader thought process from a medium-to-long term perspective? Thank you.

Ajay Shriram: As a group, we keep exploring what are the opportunities available to us. We took up the initiation of expansion of our caustic soda plant, expanding aluminum chloride and doubling that capacity at Bharuch, adding ECH, adding H2O2. We are studying various other areas of value-add down in these two chains at the moment. We have set up R&D Center in Vadodara, which is working on what more value addition can be done on ECH and H2O2, even in chlorine what more can we do down the line. So, we are continuously exploring what are the options and alternatives open to us. So, at the moment, we already have these projects online but we are looking at more projects and at the appropriate time, the Board will take a decision of investing further and that's part of our strategy. We have to keep growing. We have decided to move on the value-added chain more so that will happen in due course of time.

Rohit Nagraj: Second question is you already talked about you've been talking with the Government on the import of PVC from China and supposedly the quality is also bad. So, when is the likelihood that the Government will take some action on this, given that it's been in the talks since fairly long time? Thank you.

Ajay Shriram: I know it's a big challenge. I wish I knew when it will happen. But we are following up with the Government. We are telling them in terms of the quotas and QR issues, etc., how to restrict it because it's not good in terms of the extent and the quality of the PVC. So, the industry is following up with the Government, very difficult to say Rohit by when it will happen.

Moderator: Thank you. The next question is from the line of Pratiksha Daftari from Aequitas Investments. Please go ahead.

Pratiksha Daftari: I just wanted to understand what is the contribution of refined sugar in our volumes right now and what is the realization for refined vis-à-vis the other sugar?

Amit Agarwal: Around 60% of our total volumes now are under refined sugar and differential is anywhere ballpark around Rs. 70 between sulphated and non-sulphated sugar.

Pratiksha Daftari: Rs. 70.

Amit Agarwal: Rs. 70 per quintal.

Pratiksha Daftari: And what would be our conversion cost for sugar production right now as in apart from cane like cost of production, if I were to just deduct the cane?

Amit Agarwal: As of date the inventory we hold, we are holding at about Rs. 3150 to Rs. 3160 per quintal.

Pratiksha Daftari: Okay, I got it. Thank you

Moderator: Ladies and gentlemen that was the last question. I now hand the conference over to the Management for closing comments.

Ajay Shriram: Thank you, ladies and gentlemen for your participation in today's call. We remain focused on pursuing our strategic direction on business growth through scale, diversifying revenue streams, optimizing costs and achieving greater integration. We are committed to maintaining a robust balance sheet and healthy cash flows. As a company, we are equally focused on environment and community welfare. We aim to forge stronger relationships with all our stakeholders. Once again, thank you for joining us on our Q1 Earning Call. We wish that you stay safe and in good health. Thank you very much. Goodbye.

Moderator: Thank you very much. On behalf of DCM Shriram Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.
