

DCM SHRIRAM CONSOLIDATED LIMITED : NEW DELHI

Minutes of the Twenty Fourth Annual General Meeting of 13.8.2013

The Twenty Fourth Annual General Meeting of the Company was held on Tuesday, 13th August, 2013 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi.

The following Directors were present:

Shri Ajay S. Shriram	.....	Chairman & Sr. Managing Director
Shri Vikram S. Shriram	.....	Vice Chairman & Managing Director
Shri Rajiv Sinha	.....	Jt. Managing Director
Shri Ajit S. Shriram	.....	Dy. Managing Director
Dr. N.J. Singh	.....	Whole Time Director (EHS)
Dr. S.S. Bajjal	.....	Chairman, Board Audit Committee
Shri Pradeep Dinodia	.....	Director
Shri Sunil Kant Munjal	.....	Director
Shri D. Sengupta	.....	Director
Shri Rajesh Kandwal	.....	Director

7687 Shareholders were present in person and 172 were represented by proxies.

The Chairman welcomed the shareholders to the meeting and after ascertaining the requisite quorum being present, he called the meeting to order.

The Notice of the Meeting was taken as read.

The Chairman stated that the Company had received 195 valid authorizations/proxies representing 10,52,38,951 Equity Shares of Rs.2/- each, which constituted 63.43% of the total voting power. Out of these 23 authorisations/proxies representing 10,36,57,978 Equity Shares of Rs.2/- each, which constituted 62.48% of the total voting power, were in favour of the Management. He added that relevant registers and other documents were available for inspection by the Shareholders.

The Chairman then read his statement, the text of which is annexed (Annexure-I).

1. Shri Yashpal Chopra proposed and Shri Rajender Grover seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that the Directors' Report, the audited Balance Sheet of the Company as at 31.3.2013 and the Profit & Loss account for the year ended on that date be and are hereby approved and adopted."

The Company Secretary read the Auditors' Report.

The following points were made by the shareholders present in the meeting :

1. The shareholders complimented the Management for excellent arrangements made for the Annual General Meeting inside and outside the auditorium.

2. The shareholders highly appreciated the working of the Secretarial Department.
3. Various Shareholders desired that the Company should consider to discontinue the distribution of snacks boxes at the AGMs as some Shareholders are indulged in the trading of these snacks boxes.

The resolution, on being put to vote, was passed unanimously.

2. Shri Ashok Jain proposed and Shri Yashpal Chopra seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that the final dividend @ 40% on Equity Shares of Rs.2/- each for the year ended 31.3.2013 as recommended by the Board of Directors be and is hereby declared.

Resolved further that the interim dividend paid @ 40% on Equity Shares of Rs.2/- each for the year ended 31.3.2013 be and is hereby confirmed."

The resolution, on being put to vote, was passed unanimously.

At this point, Shri Ajay S. Shriram, Chairman & Sr. Managing Director, vacated the chair and Dr. S.S. Bajjal, Director took the Chair.

3. Shri N.S. Chauhan proposed and Shri M.P. Bhutani seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that Shri Ajit S. Shriram, retiring Director, be and is hereby re-appointed a Director."

The resolution, on being put to vote, was passed unanimously.

At this point, Dr. S.S. Bajjal, Director vacated the chair and Shri Ajay S. Shriram, Chairman & Sr. Managing Director resumed the Chair.

4. Shri S.N. Vohra proposed and Smt. Poonam seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that Shri Pradeep Dinodia, retiring Director, be and is hereby re-appointed a Director."

The resolution, on being put to vote, was passed unanimously.

5. Shri V.P. Goyal proposed and Shri Rajender Grover seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that Dr. N.J. Singh, retiring Director, be and is hereby re-appointed a Director."

The resolution, on being put to vote, was passed unanimously.

6. Shri B.K. Gupta proposed and Shri Sooraj Sharma seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that M/s. Deloitte Haskins & Sells, Chartered Accountants, (Regn. No.015125N) be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors plus reimbursement of actual traveling and out of pocket expenses incurred by them for the purpose of audit."

The resolution, on being put to vote, was passed unanimously.

At this point, Shri Ajay S. Shriram, Chairman & Sr. Managing Director, vacated the chair and Dr. S.S. Baijal, Director took the Chair.

7. Shri Ashok Jain proposed and Shri Yashpal Chopra seconded that the following Resolution be passed as a Special Resolution:

"Resolved that subject to such consents and permissions, if any, as may be necessary, approval be and is hereby accorded in terms of Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and the Schedule(s) thereto, including any statutory amendment or re-enactment thereof, to the re-appointment of Shri Ajay S. Shriram as Chairman and Senior Managing Director on the terms and conditions, including as to remuneration as set out hereunder:

Terms & Conditions of re-appointment

1. Tenure

Five years w.e.f. 1.11.2013.

2. Remuneration

(a) Salary

Rs.8.8 lacs per month in the range of Rs.7.0 lacs to Rs.15.0 lacs.

(b) Perquisites

Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases) including Leased & Company maintained furnished accommodation or house rent in lieu thereof, gas, electricity, water, club fees, personal accident insurance, use of Company's car with driver & other expenses, telephone at residence, medical reimbursement, leave and leave travel concession, education benefits and any other benefits provided to the employee(s) of the Company from time to time, including but not limited to entitlements on account of any subsisting or future long term cash incentives/rewards, provident fund, superannuation fund and gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff of the Company from time to time, in respect of any of such benefits.

(c) Commission on net profits

Such amount as may be decided by the Board of Directors or a Committee thereof from year to year provided that the total remuneration including salary and perquisites along with commission paid to all the Managing/Whole Time Directors shall not exceed the limit laid down under Sections 198 and 309 of the Companies Act, 1956.

Remuneration for a part of the Year

Remuneration for a part of the year shall be computed on pro-rata basis.

Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year, the aforementioned remuneration excluding commission shall be paid to Chairman and Senior Managing Director as the minimum remuneration, subject to the approval of the Central Government, if necessary.

3. Functions

Subject to the direction, control and superintendence of the Board of Directors, Shri Ajay S. Shriram shall have the overall responsibility for looking after the day-to-day business and affairs of the Company.

4. Sitting Fee

If permissible by law, he shall be entitled to sitting fee in addition to the components of remuneration mentioned above for attending meeting(s) of the Board of Directors or Committees thereof.

5. Termination

The appointment of Shri Ajay S. Shriram as Chairman and Senior Managing Director may be terminated by either party giving to the other six calendar months notice in writing.

In the event of termination of this appointment of Shri Ajay S. Shriram by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 1956 or any statutory amendment or re-enactment thereof.

Resolved further that the Board of Directors of the Company or a Committee thereof duly constituted, be and is hereby authorized to revise from time to time during the tenure of re-appointment of Shri Ajay S. Shriram, Chairman & Sr. Managing Director, the remuneration payable to him, subject to the limits laid down in Sections 198, 309 and Schedule XIII to the Act, without further approval of the Members of the Company and to take further necessary actions as may be incidental thereto to give effect to the said resolution."

The resolution, on being put to vote, was passed unanimously.

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8. Shri N.S. Chauhan proposed and Shri M.P. Bhutani seconded that the following Resolution be passed as a Special Resolution:

"Resolved that subject to such consents and permissions, if any, as may be necessary, approval be and is hereby accorded in terms of Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and the Schedule(s) thereto, including any statutory amendment or re-enactment thereof,

to the re-appointment of Shri Vikram S. Shriram as Vice Chairman and Managing Director on the terms and conditions, including as to remuneration as set out hereunder:

Terms & Conditions of re-appointment

1. Tenure

Five years w.e.f. 1.11.2013.

2. Remuneration

(a) Salary

Rs.8.5 lacs per month in the range of Rs.7.0 lacs to Rs.15.0 lacs.

(b) Perquisites

Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases) including Leased & Company maintained furnished accommodation or house rent in lieu thereof, gas, electricity, water, club fees, personal accident insurance, use of Company's car with driver & other expenses, telephone at residence, medical reimbursement, leave and leave travel concession, education benefits and any other benefits provided to the employee(s) of the Company from time to time, including but not limited to entitlements on account of any subsisting or future long term cash incentives/rewards, provident fund, superannuation fund and gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff of the Company from time to time, in respect of any of such benefits.

(c) Commission on net profits

Such amount as may be decided by the Board of Directors or a Committee thereof from year to year provided that the total remuneration including salary and perquisites along with commission paid to all the Managing/Whole Time Directors shall not exceed the limit laid down under Sections 198 and 309 of the Companies Act, 1956.

Remuneration for a part of the Year

Remuneration for a part of the year shall be computed on pro-rata basis.

Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year, the aforementioned remuneration excluding commission shall be paid to Vice Chairman and Managing Director as the minimum remuneration, subject to the approval of the Central Government, if necessary.

3. Functions

Shri Vikram S. Shriram shall discharge such duties and functions, as may be assigned to him by the Chairman and Senior Managing Director of the Company from time to time.

4. Sitting Fee

If permissible by law, he shall be entitled to sitting fee in addition to the components of remuneration mentioned above for attending meeting(s) of the Board of Directors or Committees thereof.

5. Termination

The appointment of Shri Vikram S. Shriram as Vice Chairman and Managing Director may be terminated by either party giving to the other six calendar months notice in writing.

In the event of termination of this appointment of Shri Vikram S. Shriram by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 1956 or any statutory amendment or re-enactment thereof.

Resolved further that the Board of Directors of the Company or a Committee thereof duly constituted, be and is hereby authorized to revise from time to time during the tenure of re-appointment of Shri Vikram S. Shriram, Vice Chairman & Managing Director, the remuneration payable to him, subject to the limits laid down in Sections 198, 309 and Schedule XIII to the Act, without further approval of the Members of the Company and to take further necessary actions as may be incidental thereto to give effect to the said resolution."

The resolution, on being put to vote, was passed unanimously.

At this point, Dr. S.S. Bajjal, Director vacated the chair and Shri Ajay S. Shriram, Chairman & Sr. Managing Director resumed the Chair.

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9. Shri Yashpal Chopra proposed and Shri V.P. Goyal seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such consents and approvals as may be necessary, the Board of Directors of the Company or a duly constituted Committee thereof be and is hereby authorised to hypothecate, mortgage and/or charge all or any of the present and future movable and immovable properties of the Company, situated at DSCL Sugar-Ajbapur, District Lakhimpur Kheri (U.P.), DSCL Sugar-Rupapur, District Hardoi (U.P.), DSCL Sugar-Hariawan, District Hardoi (U.P.), DSCL Sugar-Loni, District Hardoi (U.P.), Shriram Fertilisers & Chemicals Complex at Kota (Rajasthan) and Shriram Bioseed Genetics, G. Pochampalli Village, Medchal Mandal, Ranga Reddy Distt. (Andhra Pradesh), units of the Company, together with all buildings and structures thereon and all plants and machinery attached to the earth both present and future and the whole of the undertaking of the Company relating to the said units together with the power in favour of the lender(s) to take over the management of the business and concern and/or undertaking of the Company relating to the aforesaid units, mortgaged/charged to them as per details given hereunder, in certain events of default for the purpose of securing the financial assistance from the respective lenders as mentioned below:

- A.) On Company's properties situated at its units at DSCL Sugar – Ajbapur, Rupapur, Hariawan & Loni (Uttar Pradesh) and Shriram Fertilisers & Chemicals Complex at Kota (Rajasthan)

As and by way of Third pari passu Charge on the movable and immovable Fixed Assets of the said units

Working Capital Facilities of Rs.1929.90 Crores (Rs.1045 Crores for fund based and Rs.884.90 Crores for non-fund based) from the respective lenders as mentioned below:

- Punjab National Bank	Rs. 862.00 Crores
- Oriental Bank of Commerce	Rs. 182.00 Crores
- Bank of Baroda	Rs. 182.50 Crores
- State Bank of India	Rs. 366.00 Crores
- HDFC Bank Ltd.	Rs. 117.40 Crores
- DBS Bank Ltd.	Rs. 80.00 Crores
- Standard Chartered Bank	Rs. 75.00 Crores
- ING Vysya Bank Ltd.	Rs. 65.00 Crores

B.) On Company's properties at its unit at Shriram Bioseed Genetics situated at G. Pochampalli Village, Medchal Mandal, Ranga Reddy Distt. (Andhra Pradesh)

As and by way of Exclusive Charge on the movable and immovable Fixed Assets of the said unit

- Credit Facility for Rs.330 million from the ICICI Bank Limited

together with interest, compound interest, additional interest, further interest, liquidated damages, commitment charges, premia on prepayment, or on redemption, guarantee commission, remuneration payable to trustees, costs, charges, expenses and all other monies including any increase/decrease as a result of devaluation/revaluation/fluctuation in the rates of exchange of foreign currency under their letter(s) of sanction(s)/memorandum(s) of terms and conditions, loan agreement(s) as amended from time to time involved/payable by the Company and that such mortgage(s)/charge(s) shall rank as indicated in the resolution/pari passu with similar mortgage(s) and charge(s) created/to be created by the Company to secure the financial facilities/borrowings availed or to be availed by the Company from Financial Institution(s)/Bank(s)/Body(ies) Corporate.

Resolved further that the mortgage(s)/charge(s) created or to be created and/or all Agreements/Documents executed or to be executed and all acts done or to be done in terms of the above Resolution by and with the authority of the Board of Directors or a duly constituted Committee thereof be and are hereby ratified and confirmed.

Resolved further that the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to finalise the documents to secure the facilities/borrowings as aforesaid and to do all such acts, deeds, matters and things as may be necessary, desirable, expedient for implementing the above Resolution and to resolve any question or difficulty which may arise in relation thereto, or otherwise considered by the Board of Directors or a duly constituted Committee thereof to be in the best interest of the Company."

The resolution, on being put to vote, was passed unanimously.

10. Shri S.N. Vohra proposed and Shri M.P. Bhutani seconded that the following Resolutions be passed as Special Resolutions :

- (a) "Resolved that pursuant to the applicable provisions of the Companies Act, 1956 ("the Act"), the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory amendment, modification or re-enactment to the Act or the Guidelines for the time being in force) read with circular dated January 17, 2013 and circular dated May 13, 2013 issued by SEBI and the Articles of Association of the Company and subject to such approvals, permissions, sanctions, if any, and such conditions and modifications, if any, as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and is hereby accorded to the DSCL Employee Stock Purchase Scheme, as aligned effective from September 1, 2013, with SEBI (ESOS & ESPS) Guidelines, 1999, and pursuant thereto the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Compensation Committee) are authorized to transfer securities of the company in one or more tranches to the employees or such other person as may be identified from time to time at a price as may be fixed from time to time, and to further align, modify, amend the said DSCL Employee Stock Purchase Scheme or substitute the said scheme by a new scheme, as may be required in compliance with the Act, the SEBI Guidelines and any related circulars, amendments or re-enactments from time to time.

Resolved further that the Company shall conform and comply to the accounting policies specified in Schedule II of the Guidelines.

Resolved further that the said securities may be transferred in accordance with the DSCL Employee Stock Purchase Scheme and administered through an existing trust or a trust which may be setup in any permissible manner and that the Company may also envisage for providing any financial assistance to the trust to enable the trust to acquire, purchase, subscribe or retain securities of the Company.

Resolved further that for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient in permissible manner without requiring the Board to secure any further consent or approval of the members of the Company in this regard.

Resolved further that the Board be and is hereby authorized to delegate all or any of the powers conferred herein, to the Compensation Committee with a power to further delegate and to do all such acts, deeds and things and matters as may be necessary and incidental in this regard."

- (b) "Resolved that pursuant to the applicable provisions of the Companies Act, 1956 ("the Act"), the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory amendment modification or re-enactment to the Act or the Guidelines for the time being in force) read with circular dated January 17, 2013 and circular dated May 13, 2013 issued by SEBI and the Articles of Association of the Company and subject to such approvals, permissions,

sanctions, if any, and such conditions and modifications, if any, as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and is hereby accorded to the Board (hereinafter referred to as "the Board" which term shall be deemed to include Compensation Committee) to extend the benefits of DSCL Employee Stock Purchase Scheme referred to in the Resolution No.10(a) above including its Holding or Subsidiary Companies, resident in India or outside India and to such other persons, as may from time to time be allowed under prevailing laws, rules and regulations, and/or amendments thereto from time to time on such terms and conditions as may be decided by the Board.

Resolved further that for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient in permissible manner without requiring the Board to secure any further consent or approval of the members of the Company in this regard.

Resolved further that the Board be and is hereby authorized to delegate all or any of the powers conferred herein, to the Compensation Committee with a power to further delegate and to do all such acts, deeds and things and matters as may be necessary and incidental in this regard."

- (c) "Resolved that pursuant to the applicable provisions of the Companies Act, 1956 ("the Act"), the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory amendment, modification or re-enactment to the Act or the Guidelines for the time being in force) read with circular dated January 17, 2013 and circular dated May 13, 2013 issued by SEBI and the Articles of Association of the Company and subject to such approvals, permissions, sanctions, if any, and such conditions and modifications, if any, as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and is hereby accorded to the Board (hereinafter referred to as "the Board" which term shall be deemed to include Compensation Committee) to extend the benefits of DSCL Employee Stock Purchase Scheme referred to in the Resolution No.10(a) and (b) above to any eligible participant, such that during any one year, the eligible participant may acquire shares equal to or exceeding 1% of the issued capital of the Company at the time of grant of shares.

Resolved further that for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient in permissible manner without requiring the Board to secure any further consent or approval of the members of the Company in this regard.

Resolved further that the Board be and is hereby authorized to delegate all or any of the powers conferred herein, to the Compensation Committee with a power to further delegate and to do all such acts, deeds and things and matters as may be necessary and incidental in this regard."

The resolutions, on being put to vote, were passed unanimously.

With a vote of thanks to the Chair, the meeting came to an end.

DCM SHRIRAM CONSOLIDATED LTD.

Chairman's Speech at the Annual General Meeting

13th August 2013, New Delhi

Ladies and Gentlemen,

I have great pleasure in welcoming you to the 24th Annual General Meeting of your Company.

The macro-economic environment of the country continues to be very challenging, as you all are aware and experiencing. The short term outlook is also not very promising.

Your company is conscious of these challenges, and is continuously reviewing its business plans and policies to meet these challenges. The company has taken several steps over the last few years to improve its cost structures and rationalize/restructure its loss making activities. Simultaneously, it has been growing its businesses in a calibrated manner.

These efforts have resulted in a satisfactory performance in FY 2013 with EBITDA of over Rs.570 crores, a growth of 57%, and Net Profit of over Rs. 200 crores. The trend has continued in Q1, 2014 with EBITDA at Rs. 202 crores and Net Profit of Rs.114 crores.

I will now share with you the major developments in each of the businesses of the Company.

Agri Input Businesses

The Agri-Input businesses comprises of Bioseed, Shriram Farm Solutions and Urea (Fertilizers) businesses. Bioseed and Shriram Farm Solutions businesses have been registering healthy growth. There are year to year challenges due to climatic and regulatory factors. We are, however, taking all steps, including strengthening of research and development, entry into new geographies, launch of new products, and extensive engagement with the farmers. We are confident that these businesses will continue to register high growth going forward.

The Urea business has been continuously improving its operating efficiencies year after year. The business, however, is facing challenges due to Government controls, unclear and irrational policies and overdue subsidy outstandings.

Sugar

As you are all aware, the Central Government undertook some steps to partially free up the sugar sector. The levy obligation and sugar release mechanism has been discontinued from Sugar Season 2013 onwards. The exports and imports have also been freed up with imports attracting very low custom duty of 10% which has now been revised to 15%. The controls on cane sector and by-products continue as earlier. Even in this, there are sharp variations from state to state. This is creating a very difficult and unsustainable policy environment, with the U.P. companies being the worst hit. It has led to a negative margins of Rs. 171 per quintal in the current season, as compared to a positive margin of Rs. 211 per quintal in the previous season. As U.P. Government has still not announced any reforms relating to cane price system, concern and uncertainty with regard to this business continues to be high.

Chloro-Vinyl Businesses

The Chloro Vinyl businesses delivered a healthy performance, as the margins improved due to various cost reduction efforts undertaken by the Company and better product prices. The product prices have seen some softness in the first quarter of FY 14. However, we expect these prices to stabilise going forward. With our continuous focus on cost rationalization, we are confident of continuing to record good performance in this business.

Other Businesses

The performance of other businesses has been as per plan. Cement business has seen pressures in FY14 due to reduction in prices. Fenesta business is progressing well as our plan to reorient the business to retail segment is gaining traction. The Company is taking several steps to further strengthen this business and is confident of achieving profitable growth in this business in the medium term.

As you are aware, we have completed the restructuring and rationalization of Hariyali Kisaan Bazaar. At present, we are carrying out only Fuel Retail Business in this segment. The business is now breaking even.

Human Resources and Industrial Relations

Your Company has always put high emphasis on development of human resources and on maintaining cordial and harmonious industrial and employee relations. The Company continues to further strengthen its efforts in this direction and has been receiving the highest level of engagement and support from all the employees.

Community Welfare

Your Company has a tradition of being a good Corporate Citizen. It continues to pursue several initiatives in the area of education, health, sports and cultural events. Improving the environment has always been getting high levels of attention.

Conclusion and Acknowledgment

Overall, we expect that the company will continue to report satisfactory performance in the coming year. While some businesses are experiencing softness in prices, improvement in operating efficiencies and cost rationalization will be positive factors. Better performance of Fenesta business and breakeven of Hariyali will also contribute to better performance.

I would like to take this opportunity to thank the Directors on our Board for their constant guidance and contribution. On behalf of the Board, I extend our sincere gratitude to all our employees for their dedication and commitment towards the organization. I would like to thank all our Customers, Dealers, Government Authorities, Financial Institutions, Bankers, Auditors, Suppliers and all other business associates, for their continued trust in us.

Finally and equally importantly, I would like to place on record our appreciation to our shareholders, who have supported our business initiatives at all times.

Thank you.
