

Date: February 11, 2025

To,

**The Manager – Listing
Dept of Corp. Services,
BSE Limited
P.J. Towers, Dalal Street, Fort,
Mumbai – 400 001
Scrip Code: 543593**

**The Manager – Listing
National Stock Exchange of India Ltd.
Exchange plaza, Bandra Kurla Complex
Bandra East
Mumbai – 400 051
Symbol: DBOL**

Dear Sir/Mam,

Sub: Transcript of Earnings Conference Call held on February 06, 2025

In compliance with regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Transcript of Earnings Conference Call on Unaudited Financial Results for the quarter and nine months ended December 31, 2024, held on **Thursday, February 06, 2025**.

In Compliance with regulation 46, the same is also available on the Company's website i.e. www.dhampur.com.

You are requested to take the same on record.

Thanking You

Your Sincerely,
For Dhampur Bio Organics Limited

**Ashu Rawat
Company Secretary & Compliance Officer**



“Dhampur Bio Organics Limited
Q3 FY ‘25 Results Conference Call”

February 06, 2025



MANAGEMENT:

MR. GAUTAM GOEL, MANAGING DIRECTOR

MR. NALIN GUPTA, CHIEF FINANCIAL OFFICER

SKP SECURITIES LTD

MR. NAVIN AGRAWAL | HEAD – INSTITUTIONAL EQUITIES

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Moderator:

Ladies and gentlemen, good day, and welcome to Dhampur Bio Organics Limited's Q3 FY '25 Results 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Navin Agrawal, Head Institutional Equities, SKP Securities. Thank you, and over to you, sir.

Navin Agrawal:

Good afternoon, ladies and gentlemen. It's my pleasure to welcome you on behalf of Dhampur Bio Organics Limited and SKP Securities to this financial results conference call. We have with us Mr. Gautam Goel, Managing Director; and Mr. Nalin Gupta, CFO. We'll have the opening remarks from Mr. Goel, followed by Q&A session.

Thank you, and over to you, Mr. Goel.

Gautam Goel:

Thank you, Navin. Good afternoon, everyone, and thank you for joining us as we review the operational and financial performance for the quarter and nine months ended 31 December 2024. The company's results and investor presentation have been uploaded on the exchanges, and I trust you have had the opportunity to review them.

I will begin by discussing the key economic and geographical factors that have influenced the sugar industry and its related segments. I will then highlight our major operational developments during the quarter before handing the call over to Nalin, who will provide a detailed update on our financial performance.

To begin with the sugar sector overview, the Government of India recently permitted the export of 1 million metric tons of sugar, a move that has provided a much-needed relief to the industry and according to the latest ISMA estimates released on the 31st of January, the gross sugar production has been revised down to 31 million metric tons. The sugar diversion is estimated at around 3.75 million metric tons, while the domestic sugar consumption is projected to be 28 million metric tons. These measures have led to an improvement in ex-mill sugar prices, which is a welcome development for the industry.

In its recent meeting, the CCEA maintained the price of ethanol derived from grains, sugarcane, syrup and B-heavy molasses, while increasing the price for ethanol produced from C-heavy molasses by INR1.69 per liter to INR57.97 a liter. Additionally, the government has decided to release 2.4 million tons of FCI rice at INR22,500 per metric ton ex warehouse for ethanol production. Ethanol derived from this feedstock is priced at INR58.50 per liter and is expected to produce 110 crores liters of ethanol.

The OMCs have recently released a third tender for 124 crores liters of ethanol, which is restricted for supplies made from the above mentioned FCI rice and C-heavy molasses. The OMCs have been offered 164 crores liters, out of which 159 crores liters is with FCI rice and the balance 5 crores with C-heavy molasses against the set tender.

Our company's performance highlights are as follows. In this quarter, we crushed 13.82 lakh tons of cane as compared to 14.48 lakh tons of cane during Q3 FY '24. The sugar production for Q3 FY '25 stood at 1.01 lakh tons as compared to 1.38 lakh tons for the same quarter last year.

The sugarcane diversion to syrup derived ethanol for this quarter stood at 2.2 lakh tons, which was NIL for last year. The net recovery for Q3 FY '25 stood at 8.72% as against 9.51% for the corresponding period last year. For Q3 FY '25, our sugar sales stood at 89,252 metric tons, representing an increase of 188% or 189% from 30,948 tons in the corresponding quarter last year.

The sugar realization for this quarter this year stood at INR38,714 a ton as compared to INR40,142 a ton for the corresponding quarter last year. The EBIT for this quarter was INR2.19 crores, a margin of 0.3% as against a negative EBIT of INR0.72 crores and a negative margin of 0.17% for the corresponding period last year.

For the nine months ended FY '25, our EBIT stood at INR6.24 crores, a margin of 0.31% this year as compared to INR39.37 crores and a margin of 2.23% for the corresponding period last year.

I now hand the call over to Nalin for an update on our financial performance. Thank you.

Nalin Gupta:

Thank you, Gautam. Good afternoon, everyone. I will provide an overview of our standalone financial highlights for Q3 and nine months FY '25, followed by a discussion on our segment performance.

Revenue from the operations in Q3 FY '25 stood at INR740.5 crores against INR424.78 crores in Q3 FY '24 last year. EBITDA in Q3 FY '25 stood at INR16.85 crores against INR12.89 crores in Q3 FY '24 last year. Company incurred a loss of INR6.21 crores in Q3 FY '25 at after tax level against INR4.16 crores loss in Q3 FY '24.

For the nine months ended, revenue from the operations stood at INR2,011.92 crores against INR1,766.54 crores in nine months FY '24. EBITDA for nine months FY '25 stood at INR44.10 crores as compared to INR74.54 crores in nine months FY '24. We incurred a loss of INR27.56 crores in nine months FY '25 against a profit of INR7.6 crores in nine months FY '24.

Coming to the segmental highlights, starting with the Sugar segment. Revenue from Sugar segment stood at INR473.51 crores in Q3 FY '25 against a revenue of INR237.8 crores in Q3 FY '24. EBIT in Sugar segment stood INR14.72 crores in Q3 FY '25 against a loss of INR9.17 crores in Q3 FY '24.

We crushed sugarcane after a diversion of 2.2 lakh tons, 11.63 lakh tons in Q3 FY '25 against 14.48 lakh tons in Q3 FY '24. We produced 1.01 lakh tons in Q3 FY '25 against 1.38 lakh tons in Q3 FY '24. We sold 89,252 tons in Q3 FY '25 against 30,948 tons in Q3 FY '24.

As on 31 December 2024, we had an inventory of 1.11 lakh tons of sugar, which was valued at INR37,648 per ton against an inventory of 1.07 lakh tons, which was valued at INR34,445 as of

31 December '23. Cost of production in Q3 FY '25 stood at INR39,858 per ton, which has been valued at INR37,648 per ton. Two of our units have been marked down to net realizable value, resulting in a net impact of INR9.13 crores.

Coming to the Renewable Energy segment, we generated 87.58 million units in Q3 FY '25 against 99.73 million units in Q3 FY '24. We exported 29.16 million units in Q3 FY '25 at an average rate of INR3.44 per unit against 37.48 million units in Q3 FY '24.

Coming to Bio-Fuels & Spirits segments, revenue from this segment stood at INR91.72 crores in Q3 FY '25 against INR110.98 crores in Q3 FY '24. We incurred a loss of INR88 lakhs at EBIT level in this segment against a profit of INR7.25 crores in Q3 FY '24.

Ethanol production in Q3 FY '25 stood at 156.03 lakh bulk liters in Q3 FY '25 against 195.05 lakh bulk liters in Q3 FY '24. Ethanol sales in Q3 FY '25 stood at 129.02 lakh bulk liters at an average relation of 64.02 per liter against sale of 173.47 lakh bulk liters at an average realization of 58.8 per liter in Q3 FY '24. Ethanol inventory as of 31st December '24 stood at 8.63 lakh bulk liters against 12.43 lakh bulk liters as on 31st December '23.

In Country Liquor segment, revenue stood at INR283.25 crores in Q3 FY '24 against INR161.94 crores in Q3 FY '24. EBIT stood at INR4.77 crores in Q3 FY '25 against EBIT of INR2.86 crores in Q3 FY '24. We sold 11.51 lakh cases of Country Liquor in Q3 FY '25 against 6.87 lakh cases in Q3 FY '24. The Realisation Net of Excise in Q3 FY '25 stood at INR274.67 per case against Realisation of INR280.15 per case in the corresponding quarter last year.

Coming to the financial position, as of 31st December long-term loans stood at INR233 crores. We paid INR15 crores of long-term loans during this quarter. Debt equity ratio stood at 0.24x. Net working capital stood at INR380 crores as of 31st December 2024.

We incurred interest cost of INR10 crores in Q3 FY '25 against interest cost of INR5.6 crores in Q3 FY '24. Increase in interest cost is mainly on account of higher working capital utilization of INR386 crores in Q3 FY '25 versus INR208 crores in Q3 FY '24 due to higher inventory. Both long-term and short-term ratings remain at A as assigned by Care ratings. I now invite moderator to open the floor for the Q&A session. Thankyou

Moderator: Thank you very much. The first question is from Sanjeev Damani from SKD Consultants, please go ahead.

Sanjeev Damani: Sir, my first question is that the government has not revised the prices of ethanol made out of syrup and B-heavy. So would we be discontinuing to supply this and rather start C type of ethanol to the government because there, the prices are as high as INR57, INR58, sir. So I want to have your opinion on this, kindly tell me.

Gautam Goel: Please collate all your questions, so I can answer all of them.

Sanjeev Damani: Okay, sir. The second question is that out of 1 ton of cane processed, how much syrup ethanol is made out of it? That is my second question. The third question is regarding our current position

of crop availability in this season and how we estimate that how much more sugar will we be able to produce in this season? And what are the prospects for next year in the sense that have we overcome the red rot issues and have we replaced all our farms with the new variety of new seeds?

Gautam Goel:

With regards to the ethanol industry, it was all very disappointed that government didn't provide the price rise, which was at least the bare minimum price was expected, and this is the second year when the price have not been increased. So yes, after this decision, we have had to relook at our process aur jo hamne syrup ki quantities commit kari thi usko humlog C-heavy me puri tarike se switch over nhi kar paye because of some process constraint, but we have switched over to B-heavy. We were already maximizing as much as possible.

Due to this, definitely I would imagine anything around 10,000 tons of additional sugar produce.

Definitely, I would imagine anything between 10,000 tons of additional sugar produce ho jani chahiye. Second jo apne cane and syrup ke yield ke bare me pucha tha., the yields depend on the recovery of cane, which can fluctuate from 6.5 to 8 liters per quintal or 65 to 80 liters per ton of cane depending on the quality and position of cane.

With regard to the current position of cane crop, the industry has written down lot of cane crop during the year. If we have to look at UP region where we have a presence, it is supposed to be down by about 5% to 7% in East UP. In central UP also, the cane crop to be down 10%-15% and for West UP may be 3-4%. We expect, for us the cane crop to be probably anything between 5% to 8% lower than last year, which could be a little bit better than our peers, but there will be a reduction for sure.

Jo apane second saval jo apane puchha thaa, cane planting ke baare me, red rot ke replacement ke baare me, jo hamare pas seed material thaa, jo plant ke repalcement ho to replace nahiin hogaa vah to agale saal vaha. ka raatoon aegaa hi aegaa but we do expect 60%-70% area hamara new variety me to aa jaanaa chahiye if not more by next year we hope 100% replacement ho jana chahiye plant cane me. Settlement ki activity chal rahi hi. Abhi with the current sugar prices and competing prices we are not anticipating a big increase in cane planting for this year.

Across UP me ka koi humko cane planting me cane ka bohot bada increasing ka trend nhi nazar aa rahe hai. Yield me koi farak ayega that could be the impact that will come in the next year in the industry as a whole.

Sanjeev Damani:

Any guidance on sugar production in tons from Jan onwards

Gautam Goel:

Recovery is better, to give exact numbers would be a bit early.

Sanjeev Damani:

As per my estimation, 2.7 Lakh tons

Gautam Goel:

Your estimation is not too far off from ours.

Sanjeev Damani:

Have we raised our sugar prices in Feb? and what are current ex-mill prices.

Gautam Goel: So dekhiye Sanjeevji abhi jo after the export policy January mai be thoda sa price December ke muqabale upward aagaya tha, January mai refine sugar in North India was quoting at about INR40, INR40.25. Aur ab aaj ki date mai refine sugar ki price is about INR41.75 to INR42 and sulfitation ki price is about INR41 in North India, INR41, INR41.25. So, after export policy around Rs. 1-1.50/kg was increase in sugar prices. So, we hope that prices should remain maintained going forward.

Sanjeev Damani: Very nice sir and I mean, international prices, jo mai London k dektha hu, wo b kafi upar ho rahe hai. I mean, is there any sign ki, India mai be INR44, INR45 sugar is mahine mai, ya do mahine mai, theen mahine mai ja sakti hai, kya?

Gautam Goel: Sanjeevji, I wish, ho jaye, par. You know personally if you ask me, from our industry perspective. Prices go up too fast, too soon. Thoda sa government has some discomfort. Realistically, ascertaining cost of production there should be some rise in sugar, but may be after the season the impact could be seen and due to this working capital pressure would also be eased out and final numbers for cane can also be assessed.

Moderator: Thank you very much. Sanjeev Damani I'll request to come back for a follow up question. Next question is from the line of Suraj Khaitan from SKP Securities.

Suraj Khaitan: I just wanted to know about the insights on how January has been in terms of sugarcane yield. Additionally, how do you see ethanol prices evolving going forward?

Gautam Goel: I missed the first part. What about the sugarcane yield were you interested to know?

Suraj Khaitan: How has been January in terms of sugarcane yield?

Gautam Goel: So the yield of sugarcane this year, plant cane should start coming in from January. If you're talking about sugar percentage per ton of cane, there has definitely been an upward movement as compared to the Ratoon cane.

So, we think the differential that was in the sugar recovery should reduce going forward. The sugarcane yield for plant cane is probably a little lower than last year, not as bad as the Ratoon cane yield in our area at least. And on the ethanol, the government hasn't increased the price of ethanol.

So, for next year, we will have to recalibrate our strategy and see what is the best-case scenario for us. I don't think we will be looking to divert sugarcane into syrup for next year if the sugar prices and everything remains as is where it is. Thoda early hai, uske liye hum baad mai decision lenge. I think closer to September, August mai hum ye decision le payenge. Thank you.

Moderator: Next question is from the line of Falguni Datta from Mansarovar Financials.

Falguni Datta: Sir, I have a few questions. First is, sir, what's the reason for the sharp decline in the Bio-Fuels & Spirits, this profitability for 9 months from INR40 crores to INR7 crores. Is it just the ethanol prices?

Gautam Goel: Falguni, do you want to ask all your questions and we can answer them?

Falguni Datta: And sir, I also wanted to know what is the maximum profit that we can generate from this Country Liquor segment if things were to be like in a normal case scenario, on a INR660 crores turnover, the current performance is quite a bit lower. So what's the maximum that we can be achieving there?

Gautam Goel: So I think the key point this year, of course, has been the low yields of ethanol per ton of sugar because as we've all experienced, the recoveries have been down because of the severe red rot and pest issues. The red rot really adversely affected the recovery of cane. There wasn't enough sucrose content, and therefore, that reduced the overall availability of the total amount of yield of ethanol per ton of cane.

Also, in Q2 basically, if you remember, last year, the government had adversely stopped the diversion of ethanol. So, we all had to recalibrate our strategy and we could not produce enough ethanol. So, in Q2, we did not produce enough ethanol as compared to last year. So, these 2 things put together. And now the prices too haven't increased. So, all these things have really impacted the profitability of the biofuel sector. Now with regards to Country Liquor.

Falguni Datta: Sir, just to add to that, sir, how much do we expect that to be, let's say, for the coming year, I mean, assuming a normal cane scenario? And without expecting anything on the price front, how much can that get to?

Gautam Goel: Now this becomes a little bit, in the normal cane scenario, if the sugar prices remain where we are, there is no reason for us to in North India and for us to make refined sugar to divert sugar into sugarcane into ethanol. As I was mentioning to Mr. Damani, we have, in fact, discontinued the diverting any more sugarcane into ethanol. We are better off by paying the penalty and not diverting cane into ethanol and may be making B-heavy or C Molasses.

So for the coming year, if the sugar prices remain where they are, the ethanol prices haven't been increased, the merit to divert cane into ethanol will not be there. It will probably be more towards C molasses. So that is what the scenario for the coming year for North India and for a company like us looks like. The current environment continues.

Now with regards to Country Liquor, you have to take the duty element out of the overall sales. There is about a 90% duty per ton per case of Country Liquor, the duty elements are substantially high. If you take the duty element out and if you look at the raw material price, the levy molasses price, then there is some margin, maybe a 15%, 20% margin to be enjoyed in this business. And with that margin, we do hope to continue to grow this business. We are today number 6 in UP, and we hope to continue to gain some market share.

Falguni Datta: Okay. And just to clarify on your ethanol part, so you said coming year, you just do C heavy ethanol. Am I right?

Gautam Goel: See, again, too early to say. But with the current sugar prices, ethanol prices, the merit calculation does not warrant us diverting. Now if there is a change in sugar prices or sugar outlook or the

ethanol outlook, ethanol prices, we will have to recalibrate strategy, but that is still some time off. I think the new tender will come September, October. We will have to decide closer to the time over there.

Falguni Datta: And sir, finally, what do you expect the sugar cost of production to be as we end this season if we include the depreciation, but exclude the interest?

Gautam Goel: Nalin, do you want to answer that question?

Nalin Gupta: So the COP till December stood at INR39.85 per kg. But the COP for this full season will, again, a derivation of the recovery, the kind of sugarcane we get. So, we definitely will get to see the reduction in COP going forward. But probably it will not be right to comment on the exact number here from my side, please.

Falguni Datta: Fine. Never mind, sir. And I just missed one more question, which is on this other unallocable expense, which is higher YoY. So what does that pertain to this INR18-odd crores versus INR1.5 crores YoY in the segment results?

Nalin Gupta: So Falguni, last year, the expense on the unallocated expense are same on Y-o-Y basis. But last year, we had one exceptional income from the sale of property of INR15 crores. So that is why the net expense last year was seeming to be low.

Falguni Datta: Okay. So, this quarter is normal

Nalin Gupta: Yes

Moderator: Next question is from the line of Manu Harikumar as an individual investor.

Manu Harikumar: My 2 questions, sir, like the state has been increasing the price by itself apart from the central. So can the UP industry represent the government to increase the power price and the Country Liquor price because those are under the state government control. And the second question, sir, we are not presenting the power segment as a different segment, sir? That's all.

Gautam Goel: What you said on the power price, we have been representing and even in Country Liquor, we have been representing. But unfortunately, the government hasn't given us any favourable outcome. We continue to represent quite relevantly as an industry body. But there has been no positive outcome. Now power right now is we basically only do cogeneration and incidental cogeneration. So that is why the results have merged with the sugar business itself.

Moderator: Next question is from the line of Udit Gupta, individual investor.

Udit Gupta: Sir, when is the grain-based distillery coming online?

Gautam Goel: So grain-based distillery, now we plan to get it to start operating after the season gets over as per our production plan. We should start its operation somewhere in end April, early May.

- Udit Gupta:** And sir, we are looking at FCI rice as an input for this, like the price was recently reduced?
- Gautam Goel:** Yes, the current tender, which came out, we did participate in the tender. Now we are waiting for that to understand how much quantity will get allocated to us.
- Udit Gupta:** And sir, have the maize prices also come down or rice will be better with the FCI rice now reduced price?
- Gautam Goel:** See, this year, we can only do FCI rice because this tender is only for FCI rice and C molasses. It's not for maize. But to my understanding that the prices of maize are not very attractive, and there is a lot of other concerns with maize regarding the overall availability and things like this. So, in fact, the current tender also allowed for people to switch from maize to rice.
- Udit Gupta:** Yes. Sir, what is our recovery right now, sir, for the season so far?
- Gautam Goel:** For the season so far as of January, the November numbers we have, January numbers, I think it should be higher by about, I would imagine, 0.5% point. Please bear with us. Udit ji just give you a number, but just give us...
- Udit Gupta:** Sir, is it expected to improve now in the balance of this year?
- Gautam Goel:** Recovery is continuously improving now for plant cane that the recoveries are continuing to go up. So we do hope that we will be able to reduce the gap that we had for the first half.
- Udit Gupta:** All right. But we cannot go back to last year's figures.
- Gautam Goel:** No, that's not going to happen. So across UP, that's not going to happen.
- Udit Gupta:** Right. And sir, this plant cane, is it so much affected by Red Rot and things? Or is this better off like?
- Gautam Goel:** Plant cane is a little better than Ratoon. But the overall yields are still not that par with last year. They could be marginally lower. We definitely got less Ratoon than last year. So, plant cane should be similar to marginally lower than last year, so the overall crush will be lower.
- Udit Gupta:** Right. And sir, we expect in crushing by April?
- Gautam Goel:** In April, only our plant in West UP, you will probably see April. The plants in the central part will not see April, they'll be pretty much all of Central UP should be done by March. Any area in Central UP to be really operational in April.
- Udit Gupta:** And sir, but our distilleries would run this year in the off-season because of rice or B heavy right now?

Gautam Goel: Distillery, we are going to be running. I think we might see a little lesser number of days because we have planned to divert less syrup into ethanol. We've reduced that. So that impact of about a month could come in towards the later part of the year.

Moderator: Next question is from the line of Rajesh Kumar, an individual investor.

Rajesh Kumar: Yes, a few questions. So, the first one is in the notes to account, you mentioned that the cost is based on the SAP of financial year '23, '24. So, do you expect any increase for '24, '25?

Gautam Goel: Rajesh, you can just take all your questions and we'll be able to answer them.

Rajesh Kumar: Yes, that is the first question. Then the second question is, you have heard on the MSP hike, which the industry has been kind of requesting for many, many years. So just wanted to know what is if you have any latest update and then the third question is on the export front, are you able to book any orders? Are you expecting further increase in prices in the international markets? So these are the 3 questions.

Gautam Goel: On the MSP, I can tell you, Rajesh ji, on the notes of account, I'll let Nalin answer it afterwards. On the MSP, basically, we have been representing you right to the government. They are yet to take it up, but I believe the matter could come up in the CCEA sometime sooner than later. We continue to request our Ministry and ministers to take this matter forward.

On the export front, in North India, with the current prices of sugar there and the international prices and the price we get for quota, didn't make sense for us to really export our own sugar, even though we do make the export quality, high-quality sugar, but we are getting a premium for that up North. So we have decided to sell our quota, which we have done so. Nalin, do you want to give the figure on notes to cost of account? Okay.

Nalin Gupta: So we have mentioned that we have been booking the sugarcane prices at the SAP of last year, which continued to be the same for this season no formal announcement happened on SAP, but there is no increase in SAP happened. So we continue to account for sugarcane prices at INR370, which was the last year SAP price for UP.

Rajesh Kumar: Okay. Okay. 2 more questions. Sir, do you expect a better performance in Q4 given that your recovery is improving and there is an uptrend in the sugar prices as well?

Gautam Goel: We definitely believe so, Rajesh.

Rajesh Kumar: Okay. Okay. And sir, lastly, the share price has been quite depressed. So any chance of doing the buyback or something, your thoughts on that?

Gautam Goel: No, I don't think we're looking at any buyback right now, Rajesh Ji, with the way this current year behaved. I think it is more prudent for us right now to be a little bit more conservative with capital. And we hope now with improved realization of sugarcane in the coming quarters onwards, the overall industry's performance should get reflected in the share prices.

- Moderator:** Next follow-up question is from the line of Sanjay Damani from SKD Consultant.
- Sanjeev Damani:** Am I audible? Sir, the first question is the fact that when we produce ethanol from syrup, there is no levy obligation of molasses on that cane. Can you kindly confirm for me?
- Gautam Goel:** Sanjeev, the government side, they have a simple formula. Whatever tonnage of cane that you divert towards ethanol, they presume you will have 6.25% of B-heavy molasses on that. And therefore, 19% of that has to be levy molasses, which you will have to give from some other form of whatever B or C that you are making accordingly.
- Sanjeev Damani:** Okay. So we are not exempted when we make ethanol from syrup that cane also invites a levy on us.
- Gautam Goel:** Unfortunately, no, sir.
- Sanjeev Damani:** We are not exempted. Secondly, sir, our cane prices, cane purchase prices are linked to recovery or they are fixed at 370 straight away?
- Gautam Goel:** They are fixed. There's no linkage to recovery in UP.
- Sanjeev Damani:** Lower recovery will not give us any advantage to pay less for purchase.
- Gautam Goel:** Nahi Sir, U.P. me koi iska linkage nahi hai.
- Sanjeev Damani:** Okay, sir. And one more question, sir, that how much was our export quota, if I can know, sir?
- Gautam Goel:** So I think roughly 13,000 tons. Exact number I don't know roughly around... I remember the number... 13,000 tons. Nalin do you remember the exact number?
- Nalin Gupta:** Yes, it's 12,489 tons.
- Sanjeev Damani:** So I mean, we have made some gain while we sold out our quota...
- Gautam Goel:** Yes, sir.
- Sanjeev Damani:** One more question, sir, that recently, just now I heard that we made some INR15 crores gain on property sales. Our company can give us some surplus land or surplus assets, which can be monetized in coming years. Can our company give a presentation of that also in due course of time?
- Gautam Goel:** For sure, sir, we will look into it, but this got done pre-demerger when we had a corporate office. So that which was shared between both the undivided company and the new company, the sale of property pertaining to that.
- Sanjeev Damani:** Right, sir. But do we have any other surplus land or assets which are now surplus to the cash in our company?

Gautam Goel: We continue to look at it, but nothing very concrete immediately. As and when the opportunities come, of course, but in our existing land or factory, we don't want to sell any land, sir, because if you ever need anything in the future, it becomes more expensive and difficult to acquire.

Sanjeev Damani: Right, sir. Last question is that our average realization of Country Liquor this item is lower than last year. So what is the reason? I mean, is it a competitive world that we have to give discounts or there is a government fixed price at which we have to simply hand over?

Gautam Goel: There is a maximum price at which you can sell compared to last year was marginal difference, sir, but in volume getting substantial increases. So this was a freight element increase/decrease that basically increase/reduce the net realizable value.

Sanjeev Damani: Okay. So, for making Country Liquor, do we also buy levy molasses from outside?

Gautam Goel: This year onwards, we have started buying because our sale of Country Liquor is higher than what our own levy obligation is there.

Moderator: Ladies and gentlemen, we take the last question for the evening. Next question is from the line of Harikumar individual investor. Please go ahead.

Harikumar: Two questions, sir, there was a lower levy molasses for '23,'24 government has redetermined. How much positive impact can the company expect from that, sir? And the second one is regarding are we move into Indian-made foreign liquor because there will be better margins, the same plants don't work out for that, sir? That's all.

Gautam Goel: No, the levy obligation is not reduced this year is the same as last year. So, it's just a factor of how much cane you crushed and everything, the levy quantity is not reduced at all. So that information that you have is not correct. And simultaneously, right now, there are no plans for any IMFL because it's a different business segment with marketing costs and brand, different kind of risk factors associated with it. I think right now, we want to focus on our current portfolio and increase the Country Liquor sale also.

Moderator: Ladies and gentlemen, we'll take one last follow-up question from the line of Udit Gupta, individual investor.

Udit Gupta: Sir, what are our capex plans, sir, for the future?

Gautam Goel: As I was mentioning during some of my last con calls, most of our capex cycle seems to be over in the Sugar segment. The only difference is, as I was mentioning before, this year, we could not divert some of our capacity into C molasses. So some capex would probably go in small amounts into making us giving us the ability to make C molasses in all our units.

The only other capex that we see for ourselves is on the Country Liquor segment, as and when we are able to gain market share, we will have to augment our bottling capacities. So we are already augmenting some capacity right now as we speak. There is already some capacity augmentation going on.

After that, if you are able to gain more market share, then it is like a modular, then you just add one more bottling line. But overall, we see the capex cycle for this financial year to be fairly moderate. We won't be able to give you the exact number right now. I think that will be better presented in the next 2, 3 months.

Udit Gupta: And sir, regarding the packaged and the branded sugar that we were doing in our presentation, so that part is done, that capex?

Gautam Goel: That is done. We are continuing to see good healthy growth. We are doing good business there, and we hope to capitalize on this business going forward.

Udit Gupta: And sir, as you said that the Country Liquor, we are now selling more than our levy molasses. So that means that we are earning a certain amount of money there, sir. Am I correct?

Gautam Goel: Yes, that's the idea. So because we've become #6 in such a short period of time. And if we continue to gain market share and we have distillery capacity, we hope this could be a good sort of more visible with a higher margin business for us.

Udit Gupta: Sir, the margins are more than C molasses ethanol or similar?

Gautam Goel: We will be able to buy levy molasses at the government sort of advised price of about INR150, a quintal or INR1,500 a ton. If you look at that number, then the margins could be better than net of duty, not gross of duty, net of duty could be a little better.

Udit Gupta: Better than C molasses, producing ethanol from...

Gautam Goel: So our own molasses, we will never divert our own molasses to ethanol to Country Liquor. That is because the Country Liquor molasses prices are definitely lower. I mean, our own molasses today, let's say, if we were to sell our own molasses, we will get a realization of close to INR11,000 a ton. Whereas the Country Liquor molasses today if you were to sell, you get INR1,500 a ton.

Udit Gupta: Right. So, you're trying to say that from our own levy molasses that we use our own molasses. But for the extra Country Liquor, we'll buy molasses from outside?

Gautam Goel: Levy molasses.

Udit Gupta: Yes, Levy molasses we buy from outside.

Gautam Goel: That's the idea.

Udit Gupta: Okay. And sir, just one last thing, sir. This PPA for us, when is it getting over? Is it more remunerative outside to sell our power?

Gautam Goel: As of now, yes, I think one of our PPAs in a small unit is supposed to get over next year.

- Udit Gupta:** And sir, currently, we're getting about INR3.5. And in private, that is much higher, right?
- Gautam Goel:** From what we have given to understand, you could get around INR4.5, INR5 there.
- Moderator:** As there are no further questions, I would now like to hand the conference over to Mr. Gautam Goel for closing comments.
- Gautam Goel:** Thank you very much. Thank you all for taking time on for our investor call and for all your good wishes. And we look forward to hearing from you during our next investor call. Thank you very much.
- Moderator:** Thank you very much. On behalf of SKP Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you

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