

18.11.2024

To,
The Manager - Listing
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051
Tel No. 022-2659 8237 /38
Symbol: DHAMPURSUG

The General Manager – DSC
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai: 400001
Tel No.022-22722039/37/3121
Security Code: 500119

Dear Sir,

Sub: Regulation 30 - Transcripts of Earnings Conference Call with respect to Unaudited Financial Results for quarter ended 30th September 2024

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed herewith Transcript of the Company's Earnings Conference Call on Unaudited Financial Results for quarter ended 30th September 2024, which was held on Wednesday, 13th November, 2024.

The same is also available on the Company's website i.e. www.dhampursugar.com.

Kindly take the information on record.

Thanking you,

For Dhampur Sugar Mills Limited

Aparna Goel
Company Secretary
M. No. 22787



Dhampur Sugar Mills Limited

Q2 FY25 Results Conference Call Transcript

November 13, 2024



Management

Mr. Gaurav Goel – Vice Chairman and Managing Director

Mr. Susheel Mehrotra – Chief Financial Officer

Mr. Akshat Kapoor – Chief Operating Officer

Mr. Vineet Gupta – Vice President, Finance

SKP Securities Ltd

Navin B. Agrawal | Head, Institutional Equities

+91 98200 27446 | navin.agrawal@skpsecurities.com

Moderator: Good day, ladies and gentlemen. Welcome to the Dhampur Sugar Mills Limited Q2 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 management's opening remarks. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Navin Agarwal, Head, Institutional Equities at SKP Securities Limited. Thank you and over to you, Mr. Agarwal.

Navin Agarwal: Good afternoon, ladies and gentlemen. It's my pleasure to welcome you on behalf of Dhampur Sugar Mills Limited and SKP Securities to this financial results conference call. We have with us Mr. Gaurav Goel, Managing Director; and his colleagues, Mr. Susheel Mehrotra, CFO; Mr. Akshat Kapoor, COO; and Mr. Vineet Gupta, VP of Finance. We'll have the opening remarks from Mr. Mehrotra, followed by a Q&A session. Thank you, and over to you, Susheel.

Susheel Mehrotra: Thank you. Hi, good afternoon, ladies and gentlemen and a very warm welcome to all at the Dhampur Sugar Mills Limited Q2 FY '25 Earnings Conference Call. As you all might be aware, the quarter in general has not been good for the industry, but I'm happy to inform you that the company has started its sugar season 2024-25 on 7th of November 2024 at both the units, Dhampur and Rajpura.

Moreover, the central government has lifted restriction on the production of ethanol from sugarcane juice, syrup and B-heavy molasses on 29th August 2024. This will facilitate improved planning in sugar and ethanol operations of the company, thereby allowing optimization of product mix based on market dynamics during forthcoming season. This is expected to result in positive financial outcome.

The company plans to use sugarcane juice and syrup for ethanol production during season 2024-25 in addition to molasses as also to use maize in order to maximize capacity utilization in season and to store molasses for off-season operations. This way, we'll be able to drive maximum value from every stick of the cane crushed as also to set the plant during the off-season also. During the quarter, the distillery and ethyl acetate plants were operational and off-season maintenance was carried out at both the sugar plants to make them ready for season 2024-25.

Now coming to financial performance. Revenue from operations for the quarter ended September '24 stands at INR 580.4 crores versus

INR 580.3 crores. This was mainly on account of lower ethanol sales volume as compared to last year same quarter. In this quarter, ethanol sales was 93.17 lakh liters as against 341.51 lakh liters in the comparable quarter last year, nearly 73% lower. This was caused by multiple factors.

First, lower availability of cane in the previous season due to flooding and extended monsoon. Second, restricted availability of molasses for ethanol production due to lower cane crush. Third, lower inventory of molasses brought forward from the season due to restriction on use of sugarcane juice, syrup and B-heavy molasses due to the government order.

Sugar sales in this quarter was 0.71 lakh tonnes as against 0.41 lakh tonnes in the comparable quarter last year, an increase of 73%. This, combined with improved sales realization, which was INR 38,163 per tonne in this quarter as against INR 37,570 per tonne in the corresponding quarter last year, an increase of about 2% has resulted in reduced loss in the sugar business.

Consequent mainly to lower ethanol sales, EBITDA in this quarter is at INR 5.1 crores versus INR 26.3 crores. PBT is negative INR 20.2 crores versus profit of INR 6.5 crores and cash profit is negative INR 7.4 crores versus profit of INR 18.2 crores in the corresponding quarter of last year. Sugar inventory is 0.66 lakh tonnes as on 30th September '24, and this is valued at INR 34,861 per tonne as against 0.08 lakh tonnes as on 30th September 2023.

Total production of ethanol during the quarter from all feedstocks was 93.43 lakh liters, out of which 85.49 lakh liters was produced from maize, which is 92% of the total production. Production last year in comparable quarter was 302.26 lakh liters including 38.06 lakh liters from maize and 264.19 lakh liters from B-heavy molasses.

Total sale of ethanol during the quarter from all feedstocks is 93.17 lakh liters, including 85.84 lakh liters from maize, again, 92% of total sales versus 341.51 lakh liters in the corresponding quarter last year. Production and sale of ethyl acetate was 83.07 lakh kg and 81.2 lakh kg versus 89.25 lakh kg and 90.21 lakh kg, respectively, as compared to corresponding quarter of last year.

Production of potable spirits during the quarter has increased to 7.16 lakh cases from 5.69 lakh cases in the comparable quarter and sales has increased to 6.95 lakh cases from 5.65 lakh cases in the corresponding quarter of last year. This increase is largely due to additional production from new tetra pack machine commissioned in April 2024.

Our revenue from sugar business in this quarter is INR 279.4 crores as against INR 225.4 crores, higher by about 24%. Revenue from power business is at INR 15.0 crores, more or less same as last year comparable quarter, which was INR 15.4 crores. Revenue from ethanol business has seen a sharp decline to INR 78.5 crores versus INR 222.4 crores, a drop of nearly 65% for the reasons already discussed earlier. Revenue from chemicals business is INR 57.3 crores versus INR 71.9 crores and revenue from potable spirits is INR 173.7 crores versus INR 137.5 crores in the comparable quarter.

During the quarter, loss in sugar business has reduced to INR 4.1 crores from INR 20.6 crores in the comparable quarter last year. Loss in power business is INR 4.9 crores as against profit of INR 0.1 crores. This is attributable to early closure of sugar season and consequent reduced operation of power plant. Loss in ethanol business is INR 0.6 crores versus profit of INR 38.2 crores, again, due to ban on use of syrup and B-heavy molasses as also lower cane crush during season, resulting in significantly lower volumes. Loss in chemicals business is INR 0.2 crores versus profit of INR 3.5 crores.

Profit from potable spirits is INR 3.2 crores versus INR 1.9 crores in the comparable quarter. Revenue from operations for the period ended September '24 stands at INR 1,258.3 crores versus INR 1,494.9 crores. EBITDA is at INR 36.1 crores versus INR 121.8 crores. PBT is negative INR 18.2 crores versus INR 74.3 crores and cash profit is INR 7.7 crores versus INR 87.6 crores in the corresponding period last year. This decline in profit is attributable to the reasons explained a few minutes back.

Coming to business-wise performance during the 6 months period ended September '24, average sugar realization in this period has been INR 38,586 per tonne as against INR 36,683 per tonne in the corresponding period last year, higher by about 5% approximately. Total production of ethanol during the period from all feedstocks is 213.98 lakh liters, including 171.82 lakh liters from maize, which is 80% of total production. As against that in the same period last year, we produced 637.56 lakh liters of ethanol, including 38.06 lakh liters from maize, 387.98 lakh liters from B-heavy molasses and 211.52 lakh liters from syrup.

Total sale of ethanol during the period from all feedstocks is 238.29 lakh liters, including 184.92 lakh liters of ethanol produced from maize, that is 78% of total sales versus 698.96 lakh liters in the corresponding period last year. Production and sale of ethyl acetate has been 175.83 lakh kg and 176.22 lakh kg versus 191.1 lakh and 191.99 lakh kg, respectively, as compared to corresponding period last year.

Production of potable spirits during the period has increased to 15.22 lakh cases from 11.9 lakh cases in the comparable period and sale has increased to 14.82 lakh cases from 11.6 lakh cases in the corresponding period last year. This is mainly on account of commissioning of new tetra pack machines.

Our revenue from sugar business is INR 607.1 crores as against INR 806.9 crores. From power business is INR 29.9 crores as against INR 62.2 crores. From ethanol business, it is INR 189.3 crores versus INR 460.7 crores. Revenue from chemical business is INR 125.1 crores versus INR 152.9 crores. And revenue from potable spirits is INR 364.7 crores versus INR 280.5 crores in the comparable period.

Our profit from sugar business is INR 10.8 crores as against INR 6.4 crores. From Power business is negative INR 3.9 crores as against INR 16.1 crores. From ethanol business is INR 4.2 crores versus INR 77.3 crores. From chemical business is INR 0.5 crores versus INR 10.7 crores. And from potable spirits, it is INR 6.1 crores versus INR 2.9 crores in the comparable period.

Coming to consolidated numbers. Revenue from operations during the quarter stood at INR 580.7 crores versus INR 582.2 crores. EBITDA is at INR 5.2 crores versus INR 27.3 crores. PBT is negative INR 20.1 crores versus profit of INR 7.5 crores. PAT is negative INR 13.4 crores versus profit of INR 5.4 crores.

During the period ended September '24, consolidated revenue from operations stands at INR 1,258.9 crores versus INR 1,497.3 crores. EBITDA is at INR 36.5 crores versus INR 123.0 crores. PBT is negative INR 17.8 crores versus profit of INR 75.5 crores, and PAT is negative INR 11.8 crores versus profit of INR 50.8 crores, and cash profit is INR 8.1 crores versus INR 88.9 crores in the corresponding period of last year.

The company has repaid long-term debt of INR 24.18 crores during the quarter and INR 44.16 crores in half year ended September '24. These are the significant operating and financial numbers for the quarter and half year.

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

Moderator: As there are no questions from the participants, I would hand over the conference to Mr. Mehrotra for closing comments. Over to you, sir.

Susheel Mehrotra: On behalf of Dhampur Sugar Mills Limited, we would like to once again thank you all for taking time out for this conference call. If you have any

further questions, please feel free to contact us either phone or e-mail. You can also visit our website, www.dhampursugar.com and post any queries that you may have. We'll get back to you as soon as possible. Thank you.

Moderator:

Thank you, members of the management. On behalf of SKP Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.