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15th February, 2024

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| Symbol: BALRAMCHIN | Scrip Code: 500038 |

Dear Sir/ Madam,

Ref : **Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Sub: **Transcript of Earnings Conference call**

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the Q3 & 9M FY24 Earnings Conference Call held on 9th February, 2024.

The same is also uploaded on Company's website: www.chini.com

Thanking you,

Yours faithfully,
For **Balrampur Chini Mills Limited**

Manoj Agarwal
Company Secretary and Compliance Officer



Balrampur Chini Mills Limited

Q3 & 9M FY24 Earnings Conference Call

February 09, 2024

Moderator: Ladies and gentlemen, good day and welcome to the Balrampur Chini Mills Limited 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anoop Poojari from CDR India. Thank you and over to you Sir.

Anoop Poojari: Thank you. Good afternoon everyone and thank you for joining us on Balrampur Chini Mills Q3 & 9M FY24 results conference call. We have with us Mr. Vivek Saraogi – Chairman & Managing Director and Mr. Pramod Patwari – Chief Financial Officer of the Company.

We would like to begin the call with brief opening remarks from the management, following which we have the forum open for a question-and-answer session.

Before we start, I would like to point out that some statements made in today's call may be forward-looking in nature and a disclaimer to this effect has been included in the results presentation shared with you earlier.

I would now like to invite Mr. Saraogi to make his opening remarks.

Vivek Saraogi: Good afternoon everyone. And thank you for joining us on our results con-call. I trust you had the opportunity to go through the results presentation providing details of our operation and financial performance.

I will initiate the call, with an update on current developments in the sector, followed by our Company's key highlights for the period under review.

As per the latest data from ISMA and the production estimates done by us, the gross sugar production looks like ~33.2-33.3 million tonnes. Government has allowed and approved diversion of sugar in form of sugarcane syrup and B-heavy molasses the combination of which is a total of 1.7 million tonnes. Therefore, leaving a net production of about ~31.5-31.7 million tonnes.

Factoring in an opening stock of ~5.6 million tonnes, domestic consumption of ~28.5 million tonnes, net production on ~31.5-31.7 million tonnes, it is projected, the closing inventory for the current year, that is 1st October 2024, would be around ~8.7-8.8 million tonnes.

To address the anticipated increase in inventory, we believe it is necessary to divert more sugar towards ethanol production. We are hopeful and we are liaising with the Government to review its policy, which is limiting the diversion to 1.7 million tonnes for ethanol blending. This could help in alleviating the surplus. However, the temporary alteration made by the Central Government in ethanol production has compelled companies to adjust their mid-season strategies resulting in production of more sugar that was initially anticipated at the start of the season.

Consequently, this shift in focus towards sugar production will reduce the availability of syrup and B-heavy molasses for ethanol production. As a result, sugar will be held for a longer period of time instead of being promptly converted into cash flow through the sale of ethanol. This would add an additional cost as more working capital would be required and therefore a higher interest burden.

Amidst these challenges, the UP Government has raised SAP from Rs. 350 to 370 that's an increase of Rs.20 per quintal. The increase in cane price this year adds to the pressure already felt by the lower diversion as done by the Central Government.

Shifting our focus to our business performance, we are pleased to announce healthy operational and financial performance supported by improved volumes, higher realizations across all segments. Enhancements in operational efficiency are driven by higher sugar production and further improved our overall results.

Our dedicated engagement with the farming community has yielded significant benefits by working closely with the farmers over the past two seasons. We have strengthened our decade-old partnership resulting in improvement in both the quantity and we are hoping for a higher recovery also.

Our efforts to enhance both the quality and quantity are proving successful, and we are hoping for a 10% increase in crushing and a higher recovery. A little too early to tabulate or give the figure but yes, we are hoping for a higher recovery definitely and already to date we are higher than last year.

To conclude, over the years, our integrated operations have enabled us to maintain a robust balance sheet and generating healthy cash flows, reflecting the strength of our business model. We remain committed to harnessing the synergies between sugar and distillery segments, which has been a key driver of our success. And, we therefore have the strength and the ability to navigate these transitory challenges. We plan to capitalize on future opportunities to create long-term value for our shareholders through a prudent balance between capital allocation, borrowing and reward to shareholders.

So, this brings me to an end of my discussion. Now, I would like to hand over the floor to Pramod.

Pramod Patwari: Thank you, Sir. Thank you, and good afternoon everyone. And as the presentation has already been shared with everyone, I would not like to repeat the financial highlights here once again, and we would straight away go to the 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 Shailesh L Kanani from Centrum Broking.

Shailesh L Kanani: Sir, Congratulations for an impressive performance both in terms of operational and crushing for the initial part of the season. I would also like to take this opportunity to congratulate Avantika Mam as well for her new role and wish her all the best. First



and foremost, I would like to get some guidance on ethanol volume numbers and which route would be used for the fourth quarter and FY25 if you can shed some guidance on that?

Pramod Patwari: Thank you, Shailesh. For the FY24 nine months, we have already achieved ~20 crore liter sales including the ENA and for the full FY24, the range is between 25-26 crore liter including ENA. FY25 will be difficult at this point in time to make any guess because we are not sure what kind of policy the Government will have. So, even if I have to put any number, even if this program is repeated then definitely ~26-27 crore liter is minimum for next year also. Otherwise, we have the ability to go up to ~33 - 34 crore liter of ethanol and ENA volume in FY25.

Vivek Saraogi: So, I would like to just add a little more and put things in perspective as I see them. So, what we face this year is, I would say a reaction towards the election from both the Governments, center, and state. So, initial estimates were lower of sugar production at the net level and at the gross level, there were people who were talking of 29 million tonnes sugar production at the net level. So, that I believe sort of stoked a little too much of fear in the Government's mind. And therefore, this kind of limit of sugar diversion was put in. Having said that, now I do not think anybody wants a price rise or any sort of eventualities we are going to deal with. So, therefore the stock is piling up. Now this piled up stock would definitely be available for higher diversion next year. So, in my personal view, again it's a personal view. Even next year production even if it decreases let's say 3 million tonne you would move from a gross level of ~33.5 which is the gross level this year to ~30.5 let us say, which is still going to be one to one and a half million over consumption. So, in your current stock at ~8.5 million tonne you would have ~3 million and next year you would have a surplus of ~1.5 million. So, I believe personally that the ethanol program will be in full 100% flow on more juice, B-heavy, everything next year. And I have given you the rationale behind it. There is sugar available to be diverted. Again, if not diverted it will create a complete negative effect in the Government's mind, the whole program began with the rationale for diverting surplus sugar. Hence, ensuring market price and payment to farmers with no excess stock, but a cash flow to the mills. It is an aberration of a year because of election to my mind, this stock which will come in hand will ensure that from next year onwards in our view, there will be no more aberration. I hope I have been able to give you the data correct; you have understood the data.

Shailesh L Kanani: Yes, it's quite helpful. Just to reiterate. So, in FY25 in the worst-case situation or I would say the situation what we are currently in, we are expecting at least 25 to 26 crore litre of volumes, at least a flattish volume though we have a capacity of higher volumes, but we will do at least that in current situation?

Shailesh L Kanani: So, we would be using other feedstock's like grain, maize, damaged grains, that would give us this comfort of 25 -26 crore litre?

Vivek Saraogi: Yes. We have only one multi-feed distillery, that is in Maizapur.

Shailesh L Kanani: Right.

Vivek Saraogi: That will be used throughout with these products hopefully. But the others are not multi-feed. They are planned for B-heavy and juice.

Shailesh L Kanani: Fair enough. And guidance based on that estimate, on that assumption that Government will relax the policy in for next season basically, fair enough it sounds logical and reasonable. Sir, can I get some data keeping questions like, how would be our diversion of sugarcane for the current quarter?



- Pramod Patwari:** Quarter wise it is very difficult.
- Vivek Saraogi:** Very difficult quarter wise. You should see the season. Nine months has been disclosed. In the next quarter, you will get the next three month.
- Pramod Patwari:** But still, I would like to give an attempt. So, this year we got an allocation of around ~3 crore liter for juice based Ethanol. So, maybe around 37 to 38 lakh quintals of sugar will get diverted towards that route. And around 11.5 to 12 crore liter is B-heavy. So, rest we go for C-heavy only.
- Shailesh L Kanani:** Fair enough, that's helpful. Sir how are we looking at this season in terms of gross recovery, last season if I recall, it was around 11.6%. So, we are expecting at least 11.6% right on the gross level?
- Vivek Saraogi:** Higher. On the gross level 11.62% was the figure last year, we are expecting higher recovery this year, higher than 11.6%. So, Avantika has just joined us. She will take us through the cane efforts made by us, and variety next year, this year, just a quick rundown on cane.
- Avantika Saraogi:** So, good afternoon everyone. I just want to update on the season already gone by and whatever is left in this season. So, up until now mostly we have crushed ratoon cane, which has already resulted in a better recovery than last year at this moment in time. Also, going forward our plant cane varietal mix is even better than the ratoon cane. So, this should result in a higher jump, even then what we are at now. So, the recovery is being higher and the cane crush being higher. Both of that will gross up, just the way it did last year. So, again in both ways we will have better results other than this, we have been able to tackle top borer, red rot and any other small or big phenomena whether it's El Nino, whether it's La Nina, whatever it is, we are ready for everything. And we have been able to tackle it and we are coming out on top. So, I would say our varietal mix is probably one of the best in the country at this moment.
- Vivek Saraogi:** It's a talk ask, but yes things are better.
- Avantika Saraogi:** Yes, things are good. So, I would say we are very positive for the season that left and for the coming season.
- Vivek Saraogi:** So, basically what has been achieved is through effort, we are now deep diving into even managing the soil deficiency, etc. So, we are taking this now to the next level, where we can build our reinforcement to the best of our ability against any climatic fluctuation.
- Avantika Saraogi:** And, I want to add one thing, multiple reports of El Nino phenomena dampening, and La Nina emerging will help industry at large as well.
- Vivek Saraogi:** Let's not make that claim right now. So, our variety, if you see our variety, it would be probably definitely the best in UP with minimum infestation of 0238 which is in some areas played havoc with red rot. So, we will emerge post season you would be able to see the comparison yourself. For all the companies are last year crushing, last year recovery versus current year crushing, current year recovery. We feel the delta for Balrampur should be the best.
- Moderator:** The next question is from the line of Achal Lohade from JM Financial.
- Achal Lohade:** Just to extend the earlier comment, Avantika you may with respect to cane development. Given the efforts gone into and the results what you are seeing, A. is



there a substantial scope to increase the cane crushing in terms of availability of cane, or let's say over next three to five years, could this go up by 30%, 40%, in terms of the existing acreage, as well as possibility of increasing the acreage?

Avantika Saraogi: It's a little bit difficult for me to answer in the exact terms which you have asked but, I will attempt. So, we do have scope to increase cane to maybe ~10% more level at this crushing capacity that we have. If we need to increase crushing more, we will need to increase our capacity which can happen, which would be a management decision which would happen as and when it goes.

Vivek Saraogi: By the Board.

Avantika Saraogi: If you are asking me scope in East UP, yes there's definitely scope in East UP.

Vivek Saraogi: So, as she put it assume our internal estimates are ~10%-11% higher than last year, and we can crush ~11.4 crore quintals against ~10.30 crore quintal. So, another ~7%- 8% would take us to, just to put it our current capacity as a combination of sugar crushing capacity, juice B-heavy, we can handle up to ~12.5 crore quintals of cane with our current capacity. And we hope to get that next year.

Achal Lohade: And sir this assumes that we end the season by what May or that assuming to June?

Vivek Saraogi: No, April end, early May. So, we will be able to begin early that is the best variety is 15023, we have a very good combination now, which can help us begin early next year. So, if you are able to crush that variety, when you begin the season, your recovery is not hampered. So, it allows you to start early, the same asset is used for 15 days more and that is a 10% jump on the production. So, no enhancement of season is required largely. You crush during the peak period by beginning early. So, farmer does not face disincentive and recovery is not hampered.

Achal Lohade: Perfect. Sir, the second question I had with respect to the diversion, the 1.7 million tonne cap the Government exports. You said that the Government, the industry is representing to increase this. Now given where we are currently standing on 9th of February. How much scope like, if the Government decides let's say tomorrow, in a positive way how much more can be diverted according to your estimate?

Vivek Saraogi: So, you want a very, very frank answer?

Achal Lohade: Yes sir.

Vivek Saraogi: I do not think the Government is allowing it. So, let's understand and let me be very frank as to what will happen and why and why I said what I said in the earlier call. Over 10 years, our Hon'ble Prime Minister has personally been monitoring the ethanol program, even in recent biofuel conference he has again spoken about ethanol. So, this is a blip. A blip is going through a reason in their minds, I am not saying right or wrong. This is a pain point inflicted on us based on inflation, scare in Government's mind owing to elections. I do not see that coming off in two months. Hence, I do not think we are going to be allowed any diversion currently. Having said that, why I said what I said in the beginning is that the entire surplus will either be allowed to go into B-heavy Ethanol or exported if needed. So, the Government began with a rationale in 2015-16. It has helped this and enhanced this program by giving correct prices for Ethanol from B-heavy, C-heavy, Juice/Syrup, etc. Even this year they compensated by giving a higher C-heavy price of Ethanol. So, that proves the program is a prima donna in their mind. The program is here to last, they love the program, all the benefits of the program including the environment, farmer are



all in place. This is a one-year blip. So, that blip lasts it gives you feedstock build up so that you will continue permanently and lot of incentivization as we go ahead.

Achal Lohade: Got it. Another question I had is, how is the current realization how do you see it given the context of increased sugar inventory building up at the country level. How do you see the sugar prices playing out over the next few months or even we are getting into offseason?

Vivek Saraogi: Yes, I would say one's enthusiasm for a higher price as was felt before this limit of 1.7 million tonne sugar diversion. So, that enthusiasm is definitely tampered. Very difficult to project, assume election happens and assume whoever comes in, the Government comes in and says okay, there cane price is outstanding, there is surplus export one million. So, the whole trajectory changes. So, one can't predict the price, having said that, the current levels look close to bottom.

Achal Lohade: What is the current realization?

Vivek Saraogi: I would say, let's say for UP ~Rs. 37.5-38 per kg looks like bottom to me. East UP basis, Rs. 38 per kg kind of looks like it is holding.

Achal Lohade: Understood Sir. One more question I had with respect to, you mentioned in your opening remarks future opportunities, would it be possible to get some more sense on this where, what we can possibly look at, where are we in terms of that decision making?

Vivek Saraogi: So, as we said earlier, the Board is deliberating, and you will hear when the Board decides.

Achal Lohade: Understood. Is it possible to get some more idea in terms of the size, etc. or you will not commit as of now?

Vivek Saraogi: Size of what?

Achal Lohade: In terms of the CAPEX, in terms of the opportunity, or any could that be very large or could that be just.

Vivek Saraogi: If you understand, SEBI, Company law, is it possible for me to comment my friend, it's Board driven, can I say anything right now. As per law, I can't say anything.

Achal Lohade: Understood. Sir is it possible to get some sense given the cane cost we know, the broader sense we have in terms of crushing and the recovery. What could be the closing inventory valuation, I do not want a precise, precise last paisa per kg but a ballpark, could it be similar to last year or could be higher given the cane cost is higher, given the realizations are higher?

Pramod Patwari: Though the cane cost has gone up, we are going to get the benefit of better recoveries and higher volumes. So, I think it should be valued around Rs. 34 per kg by end of March.

Vivek Saraogi: Against last year.

Pramod Patwari: Last year was Rs. 33.70 per kg.



Achal Lohade: Understood. Sir, similarly, if you could help us understand given the increase in the working capital requirement, because of higher sugar production. What kind of interest cost one should pencil in, could there be a big delta to that actually?

Pramod Patwari: For the nine months it is around Rs. 59 -60 crore so looks like ~Rs. 85 crore for the full year.

Vivek Saraogi: Against, he is asking for increase.

Pramod Patwari: Against ~Rs. 48 crore last year.

Vivek Saraogi: Almost double, you mean from Rs. 48 crore?

Pramod Patwari: Going to ~Rs. 85 crore.

Vivek Saraogi: Okay, ~Rs. 50 crore going to ~Rs. 80-85 crore.

Achal Lohade: Got it. Just one more last question. I am going again back to the macro question sir. If the monsoon was to be normal this year, I presume what you said would be possible but if the monsoon gets impacted because of the El Nino factor, is there a substantial downside risk to the numbers what you gave for sugar season 2025?

Vivek Saraogi: So, Achal, if you remember I have already taken a 3 million tonne downtick next year. If you recall, I had set the gross production this year ~33.5 million tonne. I am saying ~30.5 million tonne for next year. UP is not going down a penny, UP might only go up. So, I am penciling in a ~3 million tonne drop only in Karnataka, Maharashtra, which is probably the highest drop. Things would only improve from here. So, this is the thinking that there is going to be no great monsoon. I am factoring in probably the worst-case scenario.

Achal Lohade: Got it. And just one last clarification, sir. In terms of you mentioned that we have only one multi-feed distillery in Maizapur. Obviously given the volatility in the sugar production and the cycle, etc. How difficult is to convert the existing distilleries into multi-feed and B, what time and cost does it require to convert the distillery into multi-feed?

Vivek Saraogi: So, one distillery would require about Rs. 50 odd crore to convert, but we are not in favor of doing that.

Achal Lohade: How much time does it take to add the balancing equipments?

Vivek Saraogi: Six to nine months, I do not think more than that. Yes, minimum because the milling system requires time. But we see the program going full pelt ahead, full pelt. So, if I may just remind everybody and take you back to COVID days. There were 100 queries, and the scare that crude going to zero if I recall correctly. And people were thinking that the ethanol program where our price was fixed at whatever Pramod I do not recall that. With crude going to zero, what would be Government's reaction would it pick up the ethanol, would price get reduced. So, all we said was, the contract is signed on the beginning of the year for the full year, there is going to be zero sort of truncation either in the price or in the quantity. There was scare floating again, if you recall there was everything got picked up at the then price with 100% volume pick up. So, I get back from that memory and take you down to today, the program is etched in stone, to the best of my ability is all I can say. The program is absolutely on the top of the minds of our Hon'ble Prime Minister, this one can say from his dialogue which one sees, and you see he lives up to his word. So, I do not see any, any debate in that area. In my mind, cane has to be available.



- Moderator:** The next question is from the line of Sanjay Manyal from DAM Capital.
- Sanjay Manyal:** Just have few questions. One is on the domestic quota which we have received in January and February. I believe it is still in the lower side, given the fact that Maharashtra, Karnataka will be lower in production is it expected that it would be higher from March to November or when you think this UP millers should get a higher quota?
- Vivek Saraogi:** From March onwards you get a much better quota, your point is correct. For East UP what happens, East UP starts a little late, typically than Maharashtra, Karnataka even West UP. So, your assumption is absolutely correct that's all I can say.
- Sanjay Manyal:** Okay. And just sir one more thing, a lot of millers in UP and probably in Maharashtra also would like to sort of diversify into the maize ethanol is what I understand, you think that economics are proper right now or is there any decent availability of maize in the surrounding area or any work which has been happening with the farmer in the surrounding areas?
- Vivek Saraogi:** So, right now it's not very, very lucrative. So, obviously if you have maize distillery, one should look at working with their farmers in around their area to get procurement both in terms of a correct price and the correct time, correct starch, etc.
- Sanjay Manyal:** Fine. And you mentioned that you are still expecting further crushing numbers in the next season. And so, any CAPEX which probably can come I know this is not a probably a right time for a lot of millers will not be thinking about the ethanol CAPEX, but given the fact that it is a downtime, you would sort of venture into, you would like to venture into the ethanol in next one year or two years?
- Vivek Saraogi:** So, as we said, we already have scope to crush 10% more. So, let us get that cane, our ethanol capacity already can use more cane than we are crushing.
- Moderator:** The next question is from the line of Vikram Suryavanshi from Phillip Capital.
- Vikram Suryavanshi:** Most questions are answered. But just to get a bit clarity on a grain side Maizapur, we have 320 KLPD declared and are we producing any ethanol from grain currently or any outlook from grain output from the distillery this year?
- Pramod Patwari:** For us?
- Vikram Suryavanshi:** Yes sir.
- Pramod Patwari:** So, maybe around four crore liter of grain-based ethanol we will be doing this year.
- Vikram Suryavanshi:** Okay. And is it from the broken rice or maize?
- Vivek Saraogi:** Combination.
- Pramod Patwari:** It will be a combination.
- Moderator:** The next question is from the line of Rajesh Majumdar from B&K Securities.
- Rajesh Majumdar:** So, sir most of my questions are answered but I had a couple of questions on the power side number one, you have mentioned about three units now selling at much in power, are any other units also there when the PPA is concluding or more merchant power can be available, that was my first question.



Pramod Patwari: Only two units are out.

Vivek Saraogi: Today two units are selling. But there is a sequence we will get back. So, let me tell you, currently as per our policy you can only sell, move out of a PPA once the PPA term expires. So, it's been good exercise, we did it for the first time. Probably, we were the first in UP to do it. This merchant power its proving to be a cash positive exercise.

Rajesh Majumdar: Okay. And my second question was sir, in this kind of a flip flop situation with the Government as a business manager, how do you decide what to do with the cane, do you make it into sugar and put in the inventory, or you store molasses in the hope that April policy will be reversed. How do you really go about this thing because you have to crush the cane, a lot of cane is coming with increased recoveries, etc. So, either you have to make sugar out of it or store it as molasses what is the kind of decision you take in these turbulent times?

Vivek Saraogi: There is no such suspense as you put it, Government has allowed you certain diversion so that much you can make B-heavy or juice, the rest you crush, make sugar as per C-heavy.

Rajesh Majumdar: So, you will make sugar.

Vivek Saraogi: We have to make, that is no management decision, there is no option.

Rajesh Majumdar: But if in the sugar here the policy again changes somewhere in the middle then what do you do?

Vivek Saraogi: I did not understand.

Rajesh Majumdar: I am saying, during this course the sugar here maybe in April or so, if the policy again changes, then what do you do?

Vivek Saraogi: If your factory shuts down, what can you do. So, that's too late, once your factory shuts you have no option. So, I am just telling you there is no management decision, nothing, it is as per Government directed.

Moderator: The next question is from the line of Nitin Awasthi from InCred Research.

Nitin Awasthi: All my questions were regarding the ethanol supply that we have done, and we are proposing that we will do, based on Slide 22 of your presentation. So, if I am reading that correctly, we had a plan of supplying 19 crore liters roughly under the first tender, so we are forgoing 10 crore liters, is that correct?

Pramod Patwari: So, for this year we have given the data in the presentation, for 19 crore liter contract is already in hand and we are going to bid for further quantity in the time to come in the next cycle.

Nitin Awasthi: Correct. But this 19 crore liter includes the syrup and B-heavy that is no more allowed right?

Pramod Patwari: 19 crore liter includes juice-based ethanol, B-heavy as well as grain-based ethanol.

Nitin Awasthi: So, hence we got the figures which you have provided, and then we come down from 19 crore liter to roughly 9 crore liter, so would that be the correct figure?



Pramod Patwari: 19 crore liter to 9 crore liter I am not getting.

Vivek Saraogi: Even I am not understanding.

Nitin Awasthi: So, you have said you have already supplied 4.29 crore liters out of the 19 crore liters that you have got the initial tender for. Now, out of that, you only have the C-route and damage food grains that you can further supply, am I correct or am I getting something wrong?

Pramod Patwari: You are correct.

Nitin Awasthi: So, if I add the balance 1.4 crore liter of C-heavy and 3.23 crore liter of damaged food grain so, that will come too close to nine crore liters hence I arrived at the figure of 9 crore liters.

Pramod Patwari: So, out of 11.5 crore liter of B-heavy we supplied only 2.5 crore liter. Out of 3 crore liter of juice we supplied only 1.85 crore liter. C-heavy we have not supplied anything, grain based we have not supplied.

Vivek Saraogi: So, that we will keep bidding and giving when these two finishes.

Nitin Awasthi: Understood. Sir, the next thing I just want to understand the second tender, which was out, that is only till the second quarter of the current ethanol season correct?

Pramod Patwari: Yes.

Nitin Awasthi: Okay. So, the 3rd Quarter, this ethanol season the tender will be out soon probably.

Pramod Patwari: Right.

Vivek Saraogi: So, just to fill you up or sort of handle any ambiguity at anyone's end. The Government is open and keen and anxious to buy as much C-heavy or grain Ethanol which you give them.

Nitin Awasthi: Noted, sir.

Vivek Saraogi: Yes, so tenders for these were open and today also without a tender if you want to go and give them C-heavy Ethanol. So, suppose you had 100 liters of B-heavy and juice Ethanol which you had bid for earlier and your government is restricted to 50 liters, they are saying that balance 50 liters you can convert to C-heavy today you will not need a tender for it also.

Nitin Awasthi: Got it.

Vivek Saraogi: So, just to let you know how keen and anxious they are to get ethanol without sacrificing sugar.

Moderator: The next question is from the line of Arkopratim Pal from Sanjay Agarwal Broking.

Arkopratim Pal: My question is, given that evolving ethanol base economic program how do you foresee it impacting the distillery division sales and profitability in the upcoming year?



Pramod Patwari: We have given all the numbers in the call earlier, what kind of volume we are looking at for FY24 and we have also given our detailed rationale what kind of assumption we can take for next year.

Arkoprattim Pal: Okay. My second question is based on market analysis, the Company is aiming to triple the distillery division revenue share. According to your last year the revenue share in distillery division is around 11% to increase in 35%. So, do you anticipate the existing program to have any significant impact on the upcoming distillery capacity increase?

Pramod Patwari: So, that was last year when there was no restriction by the Government of India on the limited diversion of ethanol. So, at that point in time, we expected that our overall revenue from distillery would be around 1/3 of our total revenue. So, we have never given any guidance that we would be increasing our distillery capacity further by 1/3rd.

Arkoprattim Pal: Okay. So, this new EBP program policy would be impacting on this particular fiscal?

Vivek Saraogi: Is it not obvious.

Arkoprattim Pal: Okay. So, how do you expect the demand scenario of the current and upcoming year for the distillery division?

Pramod Patwari: Demand is unlimited as far as ethanol is concerned. It is only a temporary rationalization which the Government has done this year. I hope you understand that.

Moderator: The next question is from the line of Dhvaneet Savla from Savla Family Office.

Dhvaneet Savla: Congratulation on a good set of numbers. I had two questions, firstly can you give us a breakup out of the current nine-month ethanol production which has been done, how much has been done through the various routes. And second is more of a strategic question, seeing that the Government is still very keen on achieving a 20% ethanol blending target probably in the next few years. Is there any kind of internal projection of how much a upside Q2 are revenues and profitability kind of a study which is being done at Balrampur in light of that?

Pramod Patwari: So, for the first question you may please refer page number 20 and 21 of our presentation.

Dhvaneet Savla: Okay.

Vivek Saraogi: And we have said, what we have to say on our thinking of how the Government can think of as far as ethanol is concerned in the coming year.

Dhvaneet Savla: I understand that I just wanted to know that is there any kind of projection which you are working with or is there no current projection which you are working with?

Pramod Patwari: So, our ability to produce is around 33 crore liters to 35 crore liters annually which includes ENA. And if there is no restriction, we will be in a position to achieve that.

Moderator: The next question is from the line of Krutika Vispute from Tata PMS.



- Krutika Vispute:** Just putting together what you have mentioned just a few minutes back saying that there have been restrictions on B-heavy and juice route. But one can any way sells higher than the tendered amount in terms of C-heavy ethanol, right?
- Vivek Saraogi:** Right.
- Krutika Vispute:** So, going by that now also seeing that is right of us expecting a higher crush this year and better recoveries as well. So, why would we instead of going for more sugar go for higher of seed because even if you look at the profitability after the increase that we got recently on the C-heavy side, would it still not make sense to go higher than the 19-crore liter or 25 crore liter that you are expecting, year up to say 34 crore something that you can do from the existing capacity. Why are we not choosing to do that instead from C-heavy?
- Avantika Saraogi:** I will attempt to just clarify the concept. So, in sugarcane once you are making sugar at the max that you can, that is the only time you are left with C-heavy. So, we do not have the option of increasing the C-heavy out of the blue.
- Vivek Saraogi:** It's either B-heavy, C-heavy or juice. B-heavy, and juice you have been restricted by the Government, the balance is C-heavy. So, there is no interplay available if that's what you are asking.
- Krutika Vispute:** Maybe a different way, if I can ask how much of the maximum of C-heavy that we can get from our capacity if we divert everything in C-heavy. What is the maximum volume ethanol that you can make?
- Pramod Patwari:** So, we are producing maximum of C-heavy what we can do under the circumstances.
- Krutika Vispute:** Okay. And for the full year on the 30-crore close to 12 crore quintal of cane, how much can we go on C-heavy in absolute terms for the whole season?
- Vivek Saraogi:** We cannot want to, and we do not want to do any more C-heavy. Than we are allowed. It's already a burden to keep that sugar.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.
- Vivek Saraogi:** Thank you very much for joining us. And I hope we have been able to give you both the macro and the micro picture, for any further queries Pramod is available, we are all available. Thank you.
- Pramod Patwari:** Thank you everyone.

This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy.

