Date: August 02, 2023

To,

The Manager – Listing	**The Manager – Listing**
Dept of Corp. Services,	**National Stock Exchange of India Ltd.**
BSE Limited	**Exchange plaza,Bandra Kurla Complex**
P.J. Towers, Dalal Street, Fort,	**Bandra East**
Mumbai – 400 001	**Mumbai – 400 051**
Scrip Code: 543593	**Symbol: DBOL**

Dear Sir/Mam,

Sub: Transcript of Earnings Conference Call held on July 27, 2023

In compliance with the 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 ended June 30, 2023, held on Thursday, July 27, 2023.

In Compliance with the 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
Digitally signed by Ashu Rawat
Date: 2023.08.02 18:05:57 +05'30'

Ashu Rawat
Company Secretary & Compliance Officer

“Dhampur Bio Organics Limited

Q1 FY ‘24 Earnings Conference Call”

July 27, 2023

MANAGEMENT: **MR. GAUTAM GOEL – MANAGING DIRECTOR – DHAMPUR BIO ORGANICS LIMITED**
MR. NALIN GUPTA – CHIEF FINANCIAL OFFICER – DHAMPUR BIO ORGANICS LIMITED

MODERATOR: **MR. NIKHIL SABOO – SKP SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Dhampur Bio Organics Q1 FY'24 Earnings Conference Call hosted by SKP Securities Limited.

As a reminder, all participant lines will be in the listen-only-mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Nikhil Saboo from SKP Securities Limited. Thank you, and over to you, sir.

Nikhil Saboo: Thank you. Good afternoon, ladies and gentlemen. It is my pleasure to welcome you on behalf of Dhampur Bio Organics Limited and SKP Securities to this financial result conference call. We have with us Mr. Gautam Goel, Managing Director and Mr. Nalin Gupta, CFO. We will have the opening remarks from Mr. Gautam Goel and Mr. Nalin Gupta, followed by Q&A session. Thank you, and over to you, Mr. Gautam.

Gautam Goel: Thank you, Nikhil. Good afternoon all. I'd like to welcome everyone to DBO's Q1 FY'24 earnings conference call. I will start with a synopsis of the company's operations and the industry's prospects. And this will be followed by an update on a financial performance by our CFO. In this quarter, we crushed 550,000 metric tons of cane as against 602,000 metric tons of cane in Q1 FY'23. Our total cane crush for the sugar season 22-23 stood at 4.27 million tons of cane as compared to 3.97 million tons of cane last year, and overall growth of about 7.4%.

During this quarter, we diverted 31,149 metric tons of cane for syrup-derived alcohol versus 38,703 metric tons during the same period last year. And the diversion for the season stood at 591,325 metric tons, as against 192,192 metric tons for the sugar season 21-22. Sugar sales during Q1 FY'24 stood at 97,967 tons, which included exports of 6,581 tons, as against the sugar sales of 98,964 tons in Q1 FY'23.

I'm pleased to report that we have established ourselves as a reliable, high-quality producer. During this export campaign, we delivered our fine-grain refined sugar to the exchange, and to customers in 23 countries across Asia, the Middle East, Africa, and Europe. Our net sugar recovery for the quarter stood at 9.62% in Q1 FY'24 compared to 9.23% in Q1 FY'23, but the gross recovery for the overall season declined by 0.26% as compared to the previous year.

We have increased our cane development efforts to reverse this declining recovery. Our higher bagasse and ethanol sales offset a significant percentage of the loss that resulted from the lower recovery. Our sugar realization has also improved as a result of the successful commissioning of a farmer-grade sugar plant. Our ethanol production this quarter increased to 25.45 million liters as compared to 20.95 million liters, and our total sales of ethanol of 23.87 million liters out of which 5.22 million liters of ethanol was diverted out of syrup, against 3.96 million liters in the same quarter last year.

While ethanol derived out of B-heavy molasses sold in Q1 FY'24 was 18.65 million liters, as against 16.93 million liters in the corresponding period last year. We believe our continuous efforts towards cane development has afforded us a sustainable and robust growth opportunity. We have budgeted a capex of about INR120 crores to expand our sugar plants in Meerganj and Asmoli to 9,000 TCD and 12,500 TCD respectively. This amount also includes expenditure towards debottlenecking and energy efficiency measures, which should result in higher bagasse savings.

Post these expansions, our crushing capacity will be enhanced to 29,500 TCD from the current 22,000 TCD. This expanded sugar capacity will result in higher cane and molasses. This coupled with a progressive ethanol blending program, we have announced a Greenfield 250,000 liters per day, expandable to 375,000 liters per day on B heavy distillery at our Meerganj unit. This new distillery is expected to be operational in Q2 FY'26. The capex for the Greenfield distillery is expected to be INR240 crores in a phased manner. The project shall be partly funded by term loans which are eligible for the 50% interest subvention scheme of the Government of India.

I would now like to give you a brief outlook of the current macro trends of our industry. The current season's net sugar production is estimated to be around 32.8 million tons and 4.1 million tons diverted towards ethanol production. India's export during the current season was about 6.35 million tons. The sugar production in North India, including UP, is up by about 3%, while the sugar production in the western region is down by about 16%. For 23-24 season, the Central Government has increased the sugarcane FRP, the fair and remunerative price, by INR10 a quintal to INR315 per quintal resulting in a basic recovery rate of 10.25%.

The government has released 22.8 million tons of sugar for domestic quota as of July 23, which is 4% more than the previous year's release of 21.9 million tons. Domestic prices are firm as a result of lesser production and news of weak monsoons. In Maharashtra, the price ranges from INR3,500 to INR3,650 per quintal, while in UP the price ranges from up to about INR3,650 to INR3,700 per quintal. Refined sugar continues to command premium to a range of INR50 per quintal over low quality wise.

Projected global surplus is moving towards deficit as two prominent producers, Thailand and India, are looking at lower sugar production consecutively, for the next crop as well. International prices are at an all-time high in a decade because of this projected tightness. Sugar outweighs ethanol in Brazil, which is resulting in a record sugar production there. However, at the same time, the two major producers, India and Thailand, may end up producing less sugar in the next crushing crop on account of lower yields and competing crops.

As per trade estimates, India may end up producing in the region of 31 million to 32 million tons of sugar in the coming year, which is mainly due to poor distribution of rainfall in Maharashtra and Karnataka region, which accounts for about 50% of India's total production. Most of the trade house have factored a 2 million to 3 million tons of sugar exports from India, and in the event of no exports from India, Brazil will be the only origin left to fill the deficit, which has the potential to take the markets to new historical highs.

As per current estimates, Brazil may produce 40 million tons of sugar in the current crop. UNICA reported on Tuesday that Brazil's Central South sugar output for the first half of July rose about 9% to about 3.24 million tons, and the sugar output in 23-24 crop throughout the year rose to about 21.9% year-on-year to 15.47 million tons. Also about 48.14 million tons of crushed sugarcane was used for sugar production this year and increased, a substantial increase from 43.54% last year.

In Thailand, there's a large, there's been a large crop downgrade. As per reports, farmers will prefer to plant cassava in 23-24, since returns are now much better than sugarcane. A higher risk of drought due to the El Nino has resulted in trade reducing the production forecast by almost 1.5 million tons to 8.2 million tons. As per estimates, the EU and UK will produce about 16.6 million tons of sugar in the coming season, a slight increase of about 0.8 million tons from the previous crop. This is due to the stronger beet prices across the region, encouraging more planting.

However, there is a downside risk to this estimate. As of 9th July, the total contracted quantities for ethanol by the OMCs stood at 5.53 billion liters and about 3.51 billion liters has been supplied against these contracted quantities. The sugar sector has supplied 2.85 billion liters as against the 3.91 billion liters contracted. Ethanol, derived out of surplus rice, supplies stood at 0.58 billion liters as against the contracted quantity of 1.43 billion liters. The recent decision by the government to stop supply of FCI could adversely affect the supply of these balanced quantities of ethanol.

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

Nalin Gupta: Thank you, Gautam and good afternoon to all of you. I will start with the key highlights of the quarter. Our revenue from operations for the quarter increased from INR495.7 crores to INR676 crores. The key drivers for an increase in revenue are higher sugar realization, ethanol sales volume and revenue for our country liquor segment. Ethanol we sold in this quarter increased from 20.89 million litres in Q1 FY'23 to 23.86 million litres in Q1 FY'24. We sold 593,000 cases of country liquor during this quarter. Profit before tax for Q1 FY'24 increased to INR16.78 crores from INR12.4 crores in Q1 FY'23. Profit after tax in Q1 FY'24 increased to INR10.95 crores from INR8.79 crores in Q1 FY'23.

In Q1 FY'24, our sugar segment reported a revenue of INR455 crores as compared to INR428 crores last year in the same quarter. EBIT in sugar segment stood at INR20.57 crores in Q1 FY'24 as compared to INR9.3 crores in Q1 FY'23. Our average sugar realization for Q1 FY'24 increased to 37.62 per kg against 35.69 in Q1 FY'23. Our inventory as on 30th June 23 stood at 1,06,000 tons of sugar, which has been valued at 34.68 per kg, as against 214,000 metric tons as on 30th June 22, which was valued at 33.95 per kg.

Now moving to biofuels and spirits segments, our revenue increased to INR155 crores in Q1 FY'24 as against INR131.47 crores in Q1 FY'23. EBIT in Q1 FY'24 stood at INR18.44 crores as against INR23.91 crores in the same quarter last year. Our average realization of ethanol stood at 61.08 per litre in Q1 FY'24 against 59.57 per litre in the same quarter last year.

Another driver for the increase in revenue is sale of country liquor in the current quarter. Revenue from the country liquor in Q1 FY'24 stood at INR141.52 crores with EBIT of 1.94 crores. We sold 5,93,156 cases of country liquor in this quarter at an average realization of 283 per case. This realization is not of excise duty. It is pertinent to note that excise duty component included in the turnover in this segment is INR126 crores.

Coming to our renewable energy segment, we generated electricity 70.8 million units in Q1 FY'24 against 58.8 million units in the same quarter last year. We exported 20.8 million units at an average realization of INR 3.44 per unit in Q1 FY24 as compared to 20.4 million units at an average realization of INR3.3 per unit in Q1 FY'23.

Coming to our cost of debt, our interest cost decreased to INR13.28 crores against INR14.32 crores in comparison to interest cost in Q1 FY'23 despite increase in interest rate and availment of fresh term loans during last year. Working capital as on 30th June 23 stood at INR 367.74 crores against INR630 crores as on 30th June, 22. We repaid long-term loans of INR16.47 crores during Q1 FY'24. Our long term loans stood at INR230 crores as on 30th June 2023.

As of 30th June 2023, our debt equity ratio stood at 0.23. We believe steady cash flows and profits from our operations and the opportunity to avail the interest subvention scheme of Government of India will maintain our balance sheet strength. Long-term and short-term ratings of the company continue to be assigned at A plus with stable outlook from here. During Q1 FY'24 in terms of Ind AS 108 operating segments, sugar, biofuels and spirit, and country liquor have been identified as operating segments pertaining to the group's operations and segmental information, including further, previous periods have been accordingly compiled and restated and disclosed in the results. I now hand over the discussion back to Gautam.

Gautam Goel: Thank you Nalin. Before we move to questions, I would now like to give a brief highlight of our ESG initiatives. We strongly believe that a company should give back to the society and this is articulated in a guiding principle, sustainability and balance and inclusive growth. This principle applies to how we do business and how we interact with and develop our ecosystem. We have been deeply involved in ecological initiatives such as sustainable growing and irrigation, social initiatives such as health camps, schools, higher learning and upscaling, sports, especially squash, include diversity and getting more women into our workforce and employee empowerment programs.

It gives me immense pride and satisfaction to inform you that we will be publishing our first sustainability report this year aligned with the Global Reporting Initiative standards. This report will provide an overview of our ESG initiatives and importantly evaluate their impact and performance so we can continue to improve and evolve our ESG programs. I would now like to conclude this call and thank you for your participation. I look forward to your questions. Thank you.

Moderator: Thank you. Thank you. Ladies and gentlemen, we will now begin with the question and answer session. Anyone wishing to ask a question, may please press star and one on the touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Nimis Sheth from GT Advisors. Please go ahead.

Nimis Sheth: Hi, good afternoon, couple of comments, congratulations. We are glad you have announced some capex. I think the second ethanol plant was quite necessary to balance the surplus molasses that we have. A couple of questions on that front. One, is that you have mentioned that it's a 250 KLPD. It costs around for INR240 crores, it's expandable by almost 50%. So what would that expansion if you were to undertake cost today? It may be a different number two years out, but I'm just curious?

Management: Hi Nimis, would you like to complete all your questions or would you like me to answer this?

Nimis Sheth: Yes, and then just two comments. One is that you continue to give your results early and have a con call which is much appreciated and you have a new format for your presentation which is actually quite nice, Yes. Thank you.

Management: Thanks, Nimis, thank you for your kind words as always. So, on our distillery, Nimis we've – as we discussed, we've – environmental clearance is enabling us to do 300 kiloliters per day on dual phase capacity, which as per UP government's policy could enable us to do up to 375 KLPD on B. On the first phase, looking at the raw material supply and everything else, we plan to install a 250 KLPD on B. The capex aligned is about INR240 crores. And this capex is also on account of some of the expenses like utilities and all being ready for the phase two, which we do believe could happen sooner than later, depending on the cane growth. We expect another INR125 crores for completing the residual capex as of today's costing and today's market scenario.

Nimis Sheth: Noted. Perfect. Thank you. Just one question you obviously expanding, which means you are confident of more cane availability. Any comment on the cane scenario in your three units and how that is looking for this coming season and ahead?

Management: So, if you recollect during the last con call especially we have been talking about there was a high pest infestation in our Mansurpur and Asmoli units. So, as of now we are quite sort of encouraged that the pest infestation seems to be substantially under control. This should definitely result in larger yields, greater, better yields. We are also seeing planting is also steadily increasing. This coupled with the fact the greater and the monsoons also at least for our part of the country and they have seem to be very well suited and distributed for sugarcane.

So, we are in the last two years, you've seen we've been getting about an 8% to 10% growth. We are working hard to try and see that we get this sort of growth momentum for the next couple of years.

Nimis Sheth: Okay, noted. Thank you, all the best. Thank you.

Moderator: Thank you. The next question is from the line of Parth Kotak from Alpha Plus Capital. Please go ahead.

Parth Kotak: Hi sir, thanks for taking my question. So, my question is very basic for my understanding. One, I would like to understand when we say that our cane crushing capacity is at 22,000 tons per day. Is my understanding correct that our annual capacity would be at 80.3 lakh tons and if that is the case our utilization would be at around 50%? Is that the right way to look at it?

Management: So, Parth this is on a the sugar season in North India is to the region of about depending on different places about 180 days plus minus 10 to 15 days. So, 22,000 tons will actually give you about close to 4.4 - 4.5 million tons of cane.

Parth Kotak: Okay, perfect, perfect. That helps a lot. And also similarly on the biofuel segment where our total capacity is at 3,12,000 that would total to around 1,140 Lac BL, is that the right number to look at on full utilization basis?

Management: Yes, roughly. It would be about 350 days, but you have to take some amount like we project about a 90%, 95% capacity utilization because of scheduled maintenance and cleaning up stuff like that.

Parth Kotak: Perfect, sir.

Management: INR11crores liters seems to be there sort of capacity that is our approved capacity by the state government.

Parth Kotak: Perfect, sir. Perfect. And, sir, last question would be, our profitability or PBT from ethanol segment is lower as compared to last year despite higher sales and realization. So what would be the reason for that?

Management: So Yes, Parth that is correct. So, the profitability in biofuel segment is a derivation of transfer pricing also. Our conversion cost is around INR5.5 a litre, but transfer pricing of molasses increased from 10,400 per ton to 12,500 per ton. So, that is how you are seeing, otherwise the margins are same. So, the margins in segments are subject to the transfer pricing from one segment to another segment. Right?

Parth Kotak: Perfect, sir. That helps a lot. Thanks for answering my question.

Moderator: Thank you. Before we take the next question, we would like to remind participants, if you wish to ask a question, you may please press star and one. The next question is on the line of Saket Kapoor from Kapoor Company. Please go ahead.

Saket Kapoor: Yes. Namaskar, sir, and thank you for the opportunity. Firstly sir really thankful for the in-depth presentation that has been provided to the investing and analyst community, and we hope for the continuity of the same. Sir, if you could give us some color on the impact of the point which you, in your opening remarks mentioned about FCI stopping the rice towards the distillery players. So, what kind of disruption will it create in the ENA market and what will be the impact on companies like us who are using molasses as a feedstock?

Management: Thank you, Saket ji. The FCI rice was fundamentally not earmarked for the ENA market, it was your mark for the ethanol program. So, we don't anticipate any disruption on the ENA program, but yes, the market, the broken rice which was available in the free sale market, the prices of those have gone up. So, that will also result in upward movement of the ENA price for the portable segment.

Now this FCI sort of restriction that just happened in the last sort of one week. So, the total extent and how it plays out, when the government will keep this restriction in place is very early days right now. We are continuing to watch this closely because it could have potential opportunities for us. But as of now we don't have dual feed distilleries so it only affects us marginally. But it is something because it is part and nature of our business we do tend to keep a close watch on this.

Saket Kapoor: Sir, you spoke about an opportunity arising of it. Could you elaborate more on the same, what kind of opportunity?

Management: Like you said, whether the ENA prices will go up in the coming year, will we have opportunities to sell some of them – we have opportunities to sell ENA and do further value addition. We have the permissions to make our distilleries, dual feed distilleries. Will this give us opportunities to convert at a reasonable cost, or at a those kind of costs. So we have, we're keeping our sort of on the lookout to see how this can play out, and what kind of advantages or disadvantages could result in opportunities for us.

Saket Kapoor: And then what are the price trends for ENA currently?

Management: Well, this is for ENA prices are about 55 to 56 is what we are given to understand in UP.

Saket Kapoor: And I think state wise there is an import and export duty of the interstate movement.

Management: It used to be there but the matter is subjudice and decisions have already come. So, it is a state wide, so the ENA which was going to other states, we believe that import duty has been dispensed with.

Management: Fundamentally also if you see Saketji, the ENA business was pretty much, the sugar sector had moved out of the ENA business and as of now our entire molasses is committed for the ethanol program. But for the coming year, there is still, come September, October, this will definitely be something which we will need to take a closer look at and see what kind of opportunities it presents us.

Saket Kapoor: And sir, taking into account the expansion that we are undergoing currently, what kind of volume growth for FY'24 can we look forward at ballpark number and therefore the profitability also how is that likely going to shape up going ahead for the remaining 9 months?

Management: As I was mentioning in the previous question, Mr. Seth, we are encouraged by the overall cane planting, the cane crop looks good, so we do expect a steady growth. In the last two years we've seen a 7%to 8% growth. We don't see a reason why we can't clock this kind of growth this year as of now.

On the profitability, we are working hard towards further reducing our costs. Now the other big impact is going to be the recovery. Early days on the recovery, but if the pest infestation remains in control, we do strongly believe our recovery trend should be better. We should all have a positive impact on the profitability. What will be the overall cane price hike in UP if it happens, what will be the sugar price? Is anybody's guess? So, profitability is going to be difficult to make a comment on right now.

Saket Kapoor: Correct, sir. When we look at one line item of other expenses, how should we understand the nature of the cane spending upon, what are the key constituents of this?

Management: So, Saketji, if you see the raw material cost and employees cost are mentioned above this item. So, this includes all rest of the items. It's variable cost on the accounts of stores, packing and fixed cost towards like repair, maintenance and other admin expenses.

Saket Kapoor: Okay, so it is commensurate to be turnover..

Management: It is not directly linked to the turnover because some of constituents of this expense are fixed in nature like repair maintenance, like admin expenses, they are fixed in nature. So, you can say like 60% of these expenses may be in correlation with the turnover.

Saket Kapoor: Right and as you mentioned about this Pharma grade is the potential of around 700 tons of annual sales. So, in revenue terms, what are we anticipating from the Pharma grades going ahead and what would be – do we have the contribution for this further expenses?

Management: Saketji, during our previous con calls from last year when we made this investment, we did realize a lot of benefit on this because we were able to export our entire quota sugar export quota we were able to fulfill ourselves and get a substantial value add because of this production capacity expansion. This year we are not sure what kind of export permission the government will have. But we are making serious efforts to tie and get empanelled with premium institutions, which is a steady and a long-term plan. It is very difficult to quantify at this point of time and maybe some of this information is something which could be a little proprietary in nature and cannot be disclosed at this stage.

Saket Kapoor: So, as of now, there is no contribution from the segment sir?

Management: No, it is continuous, it reflects in the overall price that we get for the sugar.

Saket Kapoor: If is blended cost and realization that we have…

Management: Yes. That's correct.

Saket Kapoor: Thank you sir, I'll join the queue and all the best to the team sir and thank you once again for this presentation. And last year, in the AGM, I could not ask some questions. They are pending, so I will be writing to the Secretarial department. And I will take care?

Management: And as expected we will be taking care of your queries.

Saket Kapoor: Yes. Thank you, Gautamji. Thank you, Nalinji. Namaskar. Thank you.

Moderator: Thank you. The next question is from the line of Udit Gupta, an Individual Investor. Please go ahead.

Udit Gupta: Good afternoon, sir. I would like to know, sir, what is our current ethanol capacity that we can sell to the OMCs in the current financial year sir?

Management: So, in terms of B heavy, our ethanol capacity is 3,12,500 liters per day in this financial year. The expanded capacity will come into play in FY'26 only. So we'll continue with the existing capacity for this year. So, around 11 crores liters of alcohols will be manufactured. Out of that, around 10% would be utilized towards our country liquor manufacturing, rest of that would be more or less supplied in ethanol, fuel-based ethanol.

Udit Gupta: So that country liquor takes care of our levy molasses requirement?

Management: More or less, yes.

Management: That depends upon, very often UP government has this nasty habit of changing the rules of the game midway in the season.

Udit Gupta: Sir, it takes care of the last phase requirement, if I can put it that way?

Management: So Yes, so bulk of our requirement we can take, now if they change the rules of engagement and increase it adversely, then you know we have to plan for it accordingly.

Udit Gupta: So as for the old rules, we can expect about 10 crores litres to be supplied to OMCs?

Management: No, this year I mean the exact numbers might for the entire financial year. It should be close to those numbers.

Udit Gupta: And sir the ethanol capacity, so that we are expanding, is it phase wise or does it come all at once after two years?

Management: So as I said, the first phase will be for 250 kiloliters per day on B Heavy. The subsequent capacity of another 125 KLPD, as we get a better handle on our cane growth and everything else, we will have the opportunity to decide when do we want that second capacity to come in. And let's also see, we also have permission to make it a dual feed distillery. So, we will see how this grain program and everything materializes and we can accordingly take a call of when do we want to put this capacity in stream. But yes, certain calculations will be done keeping them in complete capacity in mind.

Udit Gupta: So, I was talking about the 250 that you were talking about that come all at once in July 2025?

Management: That should come in all-in-one within that between Q2 FY 26.

Udit Gupta: Okay, so it's going to take about two years, isn't that a little too long compared to the others, sir everyone does it in 10 months to 15 months?

Management: Yes, you're right we've projected and we kept our raw material, what is the raw material supply and everything else. That is the maximum, the latest we wanted to be commissioning in 2022 Q2, it could even be earlier. But we are projecting all this to make sure that we have full capacity utilization from the first year onwards. Now the feedstock planning, the cane growth, everything we want it to be tied up, we don't want to have idle capacity.

Udit Gupta: And for any other cane crushing capacity expansion that we're looking at, after the ones that get completed in the current season, like in the next season?

Management: We've got clearances to expand both. As I had mentioned very early on, both our plants Asmoli and Meerganj have growth potential. So, depending on how the cane growth takes place, we can do organic growth every year.

Udit Gupta: Okay. Thank you so much. Thank you.

Moderator: Thank you. Thank you. The next question is from the line of Aditya Suran, an Individual Investor. Please go ahead.

Aditya Suran: Hello. Congratulations for the good set of numbers. I would like to know that why the FCI has suspended the surplus hedge for production of ethanol and would there be any difference if companies produce ethanol from broken rice instead of FCI? Does this suspension look temporary or does it look in the longer run?

Management: Good afternoon, Adityaji. The FCI suspension, we can't comment right now whether it is temporary, long-term, medium-term, that is for the government's wisdom. The broken rice prices have gone up, but you see the ethanol contract prices have been fixed by the OMCs. As of now, from what we are given to understand, the free sale market, the broken rice price market, the market prices for those have made it unviable for that to be supplied to the OMC against the ethanol program in most of the areas. We are also given to understand the DDGS prices have come down. Now this coupled with higher fuel costs, it could cause problems to some people. It would be very difficult for me to comment on an individual distillery capacity, but this is the broad outlook.

Aditya Suran: Okay, thank you.

Moderator: Thank you. Thank you. A reminder to the participants, anyone wishing to ask a question, may please press star and one. Participants, if you wish to ask a question, you may please press star and 1. A reminder to the participant in the conference, if you wish to ask a question you may please press star and one. As there are no further questions, I now hand the conference over to Mr. Gautam Goel for his closing comments.

Management: Thank you all. Thank you for your participation. And if you have any more questions, please do not hesitate to send us a mail and we'll reply to them promptly. Once again, thank you for taking your time out. Thank you very much. Good day.

Nalin Gupta: Thank you very much. Have a good day.

Moderator: Thank you, members of the management team. Ladies and gentlemen, on behalf of SKP Securities Limited, that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.