

09.08.2024

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 30<sup>th</sup> June 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 30<sup>th</sup> June 2024, which was held on Monday, 5<sup>th</sup> August, 2024.

The same is also available on Company's website i.e. [www.dhampursugar.com](http://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 Q1 FY25 Results Conference Call”

**August 05, 2024**



**MANAGEMENT:** **Mr. Gaurav Goel**  
**Managing Director, Dhampur Sugar Mills Limited**  
**Mr. Susheel Mehrotra**  
**CFO, Dhampur Sugar Mills Limited**  
**Mr. Akshat Kapoor**  
**COO, Dhampur Sugar Mills Limited**  
**Mr. Vineet Gupta**  
**VP (Finance), Dhampur Sugar Mills Limited**

**MODERATOR:** **Mr. Navin Agrawal**  
**Head, Institutional Equities, SKP Securities Ltd**  
**+91 98200 27446 | [navin.agrawal@skpsecurities.com](mailto:navin.agrawal@skpsecurities.com)**

**Moderator:** Good day, ladies and gentlemen. Welcome to Dhampur Sugar Mills Limited Q1 FY25 Result Conference Call.

As a reminder, all participants' 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 "\*" and "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Navin Agrawal, Head, Institutional Equities. 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 Sugar Mills 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 (Finance).

We will have the opening remarks from Mr. Mehrotra followed by Q&A session. Thank you, and over to you, Susheel.

**Susheel Mehrotra:** Thank you. Good afternoon and I extend a very warm welcome to all the participants to this Conference Call of Dhampur Sugar Mills Q1 FY25.

Now just to take it forward from the last quarter, certain adverse factors of the last Financial Year continued to impact our operations in this Quarter also. These are primarily lower yield of cane which was due to unexpected heavy rains and impact of the red rot in the last crop.

Secondly, the ban on use of syrup and B-Heavy molasses for production of ethanol. On account of lower cane availability, which was caused by unseasonal and heavy rainfall in 2023, Rajpura unit of the Company had closed crushing season in March '24 and Dhampur unit could operate till the first week of April '24. This impacted the performance of the Company for this quarter as well. The revenue from the operations for the current Quarter Ended June '24 stands at Rs. 677.9 crore versus Rs. 914.6 crore in the last year same quarter. EBITDA is at Rs. 31 crores versus Rs. 95.5 crore. PBT is Rs. 2.0 crores versus Rs. 67.8 crore and the cash profit is Rs. 15.1 crore versus Rs. 69.5 crore in the corresponding quarter of last year.

Coming to business-wise performance during the Current Quarter:

The Company crushed 0.4 lakh tonnes as against 7.45 lakh tonnes in the corresponding quarter mainly due to lower availability of the sugarcane and lower yields last year. This was due to lower yield and impact of the heavy rains in 2023 as well. Sugar production during the quarter is 0.04 lakh tonnes which was 0.51 lakh tonnes in the corresponding quarter of last year. See actually the operations were very minimal on the production side in this quarter. The average

sugar realization in this quarter has been 38,967 per tonne as against 36,387 per tonne in the corresponding quarter which is higher by about 7%. The sugar inventory is 1.37 lakh tonnes as on 30th June 2024 versus 0.48 lakh tonnes as on 30th June 2023. The sugar inventory is valued at Rs. 34,950 per tonne.

Coming to the Ethanol Segment:

The total production of ethanol during the quarter from all the feedstocks was 120.55 lakh litres, including 86.33 lakh liters from maize and damaged food grains, 72% of the total production, versus 335.3 lakh liters in the corresponding quarter last year. Total sale of ethanol during the quarter from all feedstocks is 145.12 lakh liters including 99.08 lakh liters from maize and damaged food grains, 68% of the total sale versus 357.45 lakh liters in the corresponding quarter last year. Production and sales of ethanol continue to be low due to ban on use of syrup and B-Heavy molasses for production of ethanol. This dip is despite the additional volume from the maize.

Coming to the Chemical Segment:

The production and sale of ethyl acetate has been 92.76 lakh kg and 95.02 lakh kg versus 101.85 lakh kg and 101.78 lakh kg as compared to the corresponding quarter of last year. Potable spirits segment has shown an improvement during the quarter. Production of potable spirits increased to 8.06 lakh cases from 6.2 lakh cases in the corresponding quarter and the sale has increased to 7.87 lakh cases from 5.95 lakh cases in the corresponding quarter of last year.

On the revenue mix for the Quarter:

Sugar contributed 45.7% of the quarter revenue down from 53.0%. Ethanol is at 15.5%, down from 21.7%. Power is 2.1%, down from 4.3%. Revenue from chemicals is 9.5% as against 7.4% and potable spirits is 26.7%, up from 13% in the corresponding quarter of last year.

On the profit mix for the Quarter:

Sugar has contributed 60.6% of the quarter earnings before interest and taxes up from 29.7%. Ethanol is 19.6%, down from 43%; power is at 4.2%, again down from 17.6%. EBIT from chemicals is 2.8% as against 7.9% and potable spirits is at 11.7% as against 1.2% in the corresponding quarter of last year.

Now coming to Consolidated Results:

Revenue from operations during the quarter stood at Rs. 678.2 crores versus Rs. 915.1 crores. EBITDA is at Rs. 31.3 crores versus Rs. 95.7 crores, PBT is at Rs. 2.2 crores versus Rs. 68 crores, and PAT is at Rs. 1.6 versus Rs. 45.4 crores. Cash profit is Rs. 15.4 crores versus Rs. 69.7 crores. So, these are the significant Operating and Financial numbers for the Quarter.

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

**Moderator:** Thank you very much sir. We will now begin the question and answer session. We will take the first question from the line of Sneha Jain from SKS Capital. Please go ahead.

**Sneha Jain:** I wanted to ask what is your outlook on ethanol currently? When do you think the policy would change and even for exports?

**Management:** Thank you so much, Sneha. So, we have been in a dialogue with the government, and we are hoping that they will allow Syrup and B-Heavy for the year '24-25. As far as exports go again, the file is there in movement, but again very early days, but I think that in the next about four weeks we should have some sort of clarity as to how much of B-Heavy and Syrup they will say for the year '24-25.

**Sneha Jain:** So, the thing which should not extend beyond September, the ethanol policy restrictions on that?

**Management:** Yes, because see again, it will only start post when the new policy will be out. Plus we are also waiting for the new price of syrup and of B-Heavy to be out. So, I think on that basis, government knows that we have got enough sugarcane for 2024-25. So, I am hoping that within the next four weeks, clarity will be out on that.

**Sneha Jain:** And sir, general apprehends, the crop is good this time?

**Management:** Rainfall has been good till now. So, last year was very heavy rainfall, but up till now the rainfall has just about been perfect. So, hoping for the same to stay for the next eight weeks.

**Sneha Jain:** And so, any particular outlook for the company? I mean, how do you view this?

**Management:** Company is healthy, the balance sheet is very healthy as of now, enough cash in the bank. So, from that perspective, Company is all okay. There are no expansion plans for the year 2024-25 as such as of now. We may be thinking about CBG and all these things, but those are still in process. So, there is no real CAPEX that we are seeing for the next six months.

**Moderator:** Thank you. We will take the next question from the line of Gaurish, an individual investor. Please go ahead.

**Gaurish:** Actually, I read somewhere that there was this time as well there was some red rot disease in the Dhampur Sugar Mills area that has affected the crops. So, can you just elaborate on what measures have been taken and is it under control? So, can you just guide us on that?

**Management:** Red rot was an issue that we faced from last year. The plans are all set for the next five years. Replacement of 238 has already started in both our plants and that was already started about three years back. But even as on date, the farmers are not very inclined to change from 238

which has been a great crop for them and for the company as well. But the process has already started and in three years, 50% of our total crop will be under 238. So we are planting other varieties of cane, 118, 9423. So that plan has started. And I am very sure that this red rot that has come in 238, we will be able to manage it.

**Moderator:** Thank you. We take the next question from the line of Nikhil Saboo from SKP Securities Limited. Please go ahead.

**Nikhil Saboo:** Hi sir, is it possible for you to share your plant-wise action which you are taking for both of your plants?

**Management:** Yes, so the plant-wise action is pretty clear is that 238, we have already started. What happened in East about three years back has now come to the side also of West and Central UP. So basically we have to, the seed has to be changed from 238. So 118 is the variety that we all are basically making our plans on. And so that plan is already in action. A large part of the area which got impacted by red rot has been changed with 118. And that will carry on.

**Nikhil Saboo:** Got it sir. So what percentage of our area has been replaced with 118 and what is the percentage of variety 238 right now and how we see the varietal changing over the next 2-3 years?

**Management:** No, I think with cane varieties, the main thing is that each of them have a lifeline in which they sort of do really well and towards the end they start getting disease. So, it's quite a normal pattern that we are used to seeing. So, it's sort of a 3 year transition that we take with it which will include first changing our seed. So, for the Rajpura plant, in fact, in Uttar Pradesh, we purchased the most amount of seed from outside our factory of other varieties, close to 52,000 quintals of new cane seed was brought in. So, we do see a very large change in our planting next year, but what happens is we also keep ratoon for the early part of the season. So that's why we call it a three-year transition. But the thing about last year is you can largely view it as a black swan event because we also had the El Nino water effect on us, so the heavy rainfalls early in June and July further expedited the impact of red rot. So, we don't foresee it being that large of an issue this year and we see our seed transition happening quite seamlessly.

**Nikhil Saboo:** Got it sir. Sir, it's very early to give any guidance on the cane, how much cane are we expecting but like last year we have seen a significant draw down in our cane availability. So, are we likely to overcome that or what percentage of our draw down we can expect to overcome in the next season sir?

**Management:** So out here you have said it absolutely right, early days but for surely seeing the seed that we have been able to plant both and seeing the rainfall, we do believe that both our plants will see a higher crush as to what it was. But after the next call, I'll have a better idea exactly as to how much of cane increase we all will see for year 2024-25.

**Moderator:** Thank you very much sir. That was the last question in the queue. As there are no further questions, I would now like to hand the conference over to Mr. Goel for closing remarks. Over to you sir.

**Susheel Mehrotra:** On behalf of Dhampur Sugar Mills Limited, we would like to once again thank you all for taking your time out for this conference call. If you have any further questions, please feel free to contact us either by phone or by e-mail. You can also visit our website [www.dhampursugar.com](http://www.dhampursugar.com) and post any queries you have and we will 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. We thank you for joining us. Ladies and gentlemen, now you may disconnect your lines. Thank you.