THE SUKHJIT
STARCH AND CHEMICALS
LIMITED
EVOLVING WITH NATURE

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To, The General Manager-Listing Department BSE Limited 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001 **Ref: Security Code: 524542**	To, The General Manager-Listing Department The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 **Ref: Symbol: SUKHJITS**

Reg: Transcript of Earnings Call hosted on May 31, 2024

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Conference Call / post Earnings Call hosted by the Company on May 31, 2024 to discuss Q4 & FY24 results, is attached herewith.

You are requested to kindly take note of the same.

Thanking You,

Yours Faithfully,
For **THE SUKHJIT STARCH & CHEMICALS LTD**
Aman Deep Setia
Digitally signed by Aman Deep Setia
Date: 2024.06.05 16:37:44 +05'30'
VICE PRESIDENT (FINANCE)
& COMPANY SECRETARY

THE SUKHJIT STARCH & CHEMICALS LTD. * PHAGWARA *

Encl: as above

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"The Sukhjit Starch and Chemicals Limited

Q4 and FY '24 Earnings Conference Call"

May31, 2024

MANAGEMENT: MR. AMAN SETIA– VICEPRESIDENT, FINANCE AND COMPANY SECRETARY –THESUKHJIT STARCH AND CHEMICALS LIMITED
MR. DHIRAJ SARDANA– SENIORVICE PRESIDENT AND CHIEF EXECUTIVE OFFICER – THESUKHJIT STARCH AND CHEMICALS LIMITED
MR. BHAVDEEP SARDANA – SENIORVICE PRESIDENT AND CHIEF EXECUTIVE OFFICER–THESUKHJIT STARCH AND CHEMICALS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to The Sukhjit Starch and Chemicals Limited Q4 and FY '24 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. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.Please note that this conference is being recorded. I now hand the conference over to Mr. Aman Setia. Thank you, and over to you, Mr. Setia.

Aman Setia: Good morning, ladies and gentlemen. I am Aman Setia, Vice President, Finance and Company Secretary of The Sukhjit Starch, would like to extend a cordial welcome on behalf of The Sukhjit Group for joining us on the con-call on FY '24 results. Dear friends, while we appreciate your time and patience for remaining invested with us for long, we promise all our current and potential investors that we are a company which is not only committed to the operational and financial performance, but also the transparency and best practices front.

Regarding performance in FY '24. Every one of you had an opportunity to go through the financial results and the press release, which have been uploaded on the stock exchange. However, I would like to reproduce some key figures. Friend our net sales at INR1,370.86 crores during FY '24 against INR1,435.25 crores in FY '23. EBITDA for the year is INR134 crores versus INR145 crores in FY '23. The profit before tax stood at INR77 crores against INR92 crores in the corresponding previous year and the profit after tax is INR55.62 crores against INR70 crores in the previous financial year.

The Q4 FY '24 sales stood at INR368 crores with EBITDA at INR33 crores and PAT at INR11.46 crores. Though the volumes of our production sales were higher as compared to the last year, the sales value and the margins were affected due to pricing pressure on some of our key finished products owing to low demand from some sectors. On financial front, our long-term debt has reduced to about INR83 crores with a very low debt to equity ratio of 0.16.

Today, from the management side, we have Mr. Dhiraj Sardana, Senior VP and CEO; and Mr. Bhavdeep Sardana, Senior VP and CEO of the company. Now I hand over to Mr. Dhiraj Sardana to give a brief about the company. Thanks.

Dhiraj Sardana: Good morning. I welcome all of the investors to the call. For the new investors, I wish to add here that Sukhjit is an agro processing company that specializes in the production of starch and its derivatives. With a rich history and as one of India's oldest and largest starch producers, Sukhjit has forged enduring partnerships with major brands and end users. We have a diverse product portfolio catering to a wide spectrum of the industries, such as food and beverage, paper and board, personal care and pharmaceuticals, textile, FMCG, animal and pet foods. As the dynamics of world and industries are changing fast and each year comes with new challenges, we had Sukhjit strived to find the best of opportunities during challenges.

As Mr. Setia mentioned, pressure remained on prices of some of our high-value finished goods last year owing to lower demand from some key sectors. However, now uptick in demand is being reported, especially in the FMCG sector and it is expected that our high-value products will take charge of our sales and profits during the running year. Further, with the growing business of nutritive and quality food by the health conscious consumers, demand for new varieties and superior quality food will continue to rise. And we believe that the starch industry is going to benefit as our products directly find place in such food items.

A key element of our strategy is the diversification of our product mix, we aim to provide superior solutions that meet the specific requirements of different market segments. This approach not only strengthens our customer relationships but also drives higher margins and revenue growth.

Now I would like to hand over to Mr. Bhavdeep Sardana to share more details. Thank you.

Bhavdeep Sardana: Good morning, ladies and gentlemen. As we discuss the financial and operational performance of Q4 and the full fiscal year ending FY '24, it is clear that our company has demonstrated remarkable adaptability and resilience in a very changing environment. Despite facing pricing pressure and soft demand from key industries like FMCG and pharma, we managed to achieve higher sales volumes compared to the previous year. This achievement is a testament to our strategic agility and operational excellence.

While our EBITDA and profit margins were impacted by low sales of high-value products, we are optimistic about the future. We anticipate that the resurgence of high-value products will significantly change and add to our sales growth in the coming quarters. This rebound is expected to drive both growth and profitability as we continue to implement our strategic initiatives and capitalize on market opportunities.

Our growth initiatives are progressing well with a notable increase in the capacity expansion that would be commercialized in coming months. This expansion is a critical component of our growth strategy, enabling us to meet increasing demand and strengthening our market position. Additionally, we are actively exploring both greenfield and brownfield expansion opportunities. The expansion will be pursued based on thorough internal assessments and prevailing market dynamics, ensuring that we make informed and strategic investment decisions.

Our unwavering commitment to enhancing our product portfolio and advancing our operating margins remains steadfast. We are prioritizing higher starch utilization. We strive for optimal performance, maximizing operational efficiency and boosting productivity across our operations. Looking ahead, we are enthusiastic about the prospects that lie before us. Our strategic initiatives are not just about growth, but maintain a sustainable and profitable future for us.

In conclusion, the year FY '24 has been a period of significant achievements, strategic advancements for our company despite the challenges we have shown that we can adapt and thrive. We remain committed to executing our strategies effectively leveraging our strengths and capitalizing on new opportunities. We are confident that our focused approach and strategic initiatives, we will continue to achieve our goals and deliver our long-term value to our stakeholders. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session.First question is from the line of Yogansh Jeswani from Mittal Analytics.

Yogansh Jeswani: So sir, just one question around your inventory. So if you look at the closing inventory, it is reasonably high compared to what is our usual trend. So any specific reason for that? Or is there any one-off into it?

Dhiraj Sardana: It is how we look at the raw material situation vis-a-vis multiple factors in the market. We carry inventory to ensure continuity in operations. If we see the incoming crop, if it is low or it feels that there would be an increase in the pricing because of some other factors. So the company has took a decision to carry more inventory at that particular point in time.

Yogansh Jeswani: Okay. But nothing of the sort that some bit of shipment was delayed in Q4.

Dhiraj Sardana: No. Not at all, not at all.

Yogansh Jeswani: Okay. So sir, out of this inventory then, is it possible to share what would be the raw material inventory and how much would be the finished goods out of the INR230 crores?

Dhiraj Sardana: Mostly, it is raw material. We tend to be light as a strategy on finished goods. Unless it's a strategic decision where a shipment is being planned or we see there's going to be a price resurgence. But you could assume that more than 60% is raw material.

Yogansh Jeswani: Okay. Understood. And sir, given your view on inventory then is it safe to assume that in next couple of quarters, we are expecting probably better margins since end product prices might also rise given the higher raw material prices expectation?

Dhiraj Sardana: That is our hope.

Yogansh Jeswani: Sorry?

Dhiraj Sardana: That is our hope.

Yogansh Jeswani: Okay. Got it, sir. And sir, just one clarification on the capacity expansion that you were alluding to in your opening remarks. How much is the addition in capacity in volume terms, if you could just share that.

Dhiraj Sardana: It would be close to 400 acres capacity expansion across multiple units across various product lines. And we are about a few months away from completing it at all the locations where the work is going on. And based on 1,600 current capacity installed, this 400 acres to 2,000 tonnes per day of mainly crushing plus enhancement in certain product lines.

Yogansh Jeswani: Got it. Understood. That's it from my side.

Moderator: Next question is from the line of Dr. Arun Sharma, an individual investor.

Arun Sharma: My first question is for the last 1 year, we are saying that the capacity would be 1,600 to 2,000, but it has still not materialized. Can you give a timeline that by when it would be materialized?

Dhiraj Sardana: We were supposed to have -- we have always been saying that it would be that commercialize that we would be ready in FY '24, '25, we maintain that we have been telling all our stakeholders that we are working on it. We continue to say that -- and we believe firmly that it will be in FY '24, '25. But definitely, we are trying because of elections in various phases across different states at different times, certain construction work was delayed, et cetera, we are at the final stages. Over the next 2 to 3 months, I expect that most of the expansion work would be completed. And in Q4, we would start to seeing some results of it.

Arun Sharma: And sir, my second question is that 10 to 12 acre land that the company was trying to sell. What was company expecting? How much money is the company expecting to gather from that?

Dhiraj Sardana: So the land you are listing -- is our own land like we say that we have mentioned in the past that the company -- this land was acquired in 1943, and then subsequently small parcels were added to it. Our exploring of various pricing because it is in the heart of the city in Phagwara town, it is in Phagwara, it has multiplied. So the various benchmarking of pricing is done on each road. So with government -- state government's policies of circle rates, et cetera, so there are multiple rates. So price finding is going on. And when we get a firm offer, we would be sharing it with all our stakeholders also.

Arun Sharma: Sir, any ballmark(14:36) idea that it would be INR100 crores, INR120 crores approximate idea?

Dhiraj Sardana: I wish it is I can say that, but we are not at that stage to make a -- even that was the price finding for a land which had a multiple -- that is multiple crores and multiple rates around is a bit complicated.

Arun Sharma: Sir, share any idea like more than INR100 crores, what is the company expecting

Dhiraj Sardana: The range of pricing can vary from INR50 crores to INR100 crores now, if I give a commitment or make a statement, it would be very irresponsible of me.

Arun Sharma: We only want to know the rate whether it is INR20 crores, INR100 crores, to INR150 crores.

Dhiraj Sardana: Someone say INR20 crores, someone says INR100 crores, someone says INR50 crores. It is not for me to give a comment. So until there is clarity on what circle rates will be when that the state government has also been busy in formulating some policy on land pricing, et cetera. So we are also waiting for that. So there is clarity to potential investors. So they also then do their business on it, and they can make an offer to the company for it.

Arun Sharma: Sir, will it be done in a year or years-time?

Dhiraj Sardana: Yes. Even we are also -- since we are not located in NCR or tri-city Mohali area. So Phagwara is a small industrial town. So a different type of customer here would be required. And we are marketing through the local channels accordingly.

Arun Sharma: Excellent. My last question is, as they're quite positive on the rural demand. Don't we see these implications in the company...

Dhiraj Sardana: Yes. So I'm very happy, Dr. Sharma that you are following FMCG because the last 4 quarters FMCG has been very subdued. Now only they are starting to say that there has been green shoots in their rural demand and it will look up. So they look up, we will also look up.

Moderator: Next question is from the line of Harsh Shah from Dimensional Securities.

Harsh Shah: I just wanted to get an idea for the year that went by, FY '24, what has been the volume growth for industry and then for Sukhjit Starch? I mean have we gained market share? I mean how has the industry versus Sukhjit performed?

Dhiraj Sardana: I would say status quo has been maintained. I will not tell or advise -- sorry, share how much we have grown. But definitely, our growth has been there and going forward, the volume growth will continue increasing over the next few years until the full capacity utilization of the recent expansion work underway gets utilized. As far as -- to give you a better analysis of the picture, every -- the starch industry this year has witnessed many changes, and it largely swings in raw material.

And the swing in raw material pricing from dips of 10% to highs of 15% from -- I'm talking about, let's say, if I take a base price of INR22, so we've seen a big fluctuation because of ethanol coming in. And because of previous caller mentioned FMCG uptick is being observed by certain large FMCG players. Last 4 quarters, it's been pretty subdued by the FMCG majors and the statements by Nestle or Dabur, etcetera, etcetera, HUL mirrored that. And -- but as a company, we have grown in volumes, and I'm hopeful that we will grow more in volumes, both in volumes and sales figures in rupee terms. So quite hopeful for that.

Harsh Shah: Okay. And could you help us with average raw material procurement price, maize price for Q4? And where does the price stand today?

Dhiraj Sardana: Pricing has been very elastic. Q4, if you look at the financial year Q4 starting from 1st of January when the crop -- the Kharif crop literally over or at its fag end of arrival or peak arrival going towards 31st March is there is no crop. So pricing can go as high as INR25, INR25, INR50 in certain parts of the country and it could be a INR22 to INR23 in the producing areas where there is stock at the local level. So -- and today's date Bihar, which is the Rabi crop, which comes end of the April, 1st week of May, the crop started at INR19 to INR21 in that range. But today, ex-Bihar, one cannot get ex-Bihar at INR22.5, INR23. So that would mean up to INR25 in certain consuming areas.

Harsh Shah: Okay. That gives a fair idea. And coming to volume growth going ahead, of course, FY '24 has been quite subdued for the FMCG companies. But just to get a fair idea, if we talk about next 3 to 4 years, so if the volume growth for FMCG would be around 4% to 6% because that is what the bull case assumption is for the matured FMCG industry volume growth somewhere between 4% to 6%, 7%. Then where do you see volume growth for Sukhjit? If we talk about a fairly long term, 3- to 4-year period, adjusting cycles and everything?

Bhavdeep Sardana: We are looking at 10% growth going forward into the volumes. We are trying for 10% growth. It all depends on how fast our expansion work happens. But let's say, FY '25-'26, I would say, 10% looks reasonable. This year, it could be a challenge, but I think we are working on it. We have certain ideas, which we need to do, which we are implementing. So we are not only looking at overall capacity, but we are incrementally looking at certain product enhancements where that product growth could be there.

So if FMCG is going -- buying X, Y, Z products from us and if they are in talks with us for long-term supply and let's say, a medium-term horizon, like you mentioned, is 4 to 5 years, maybe 6 years. So we are working with them and seeing their capacity expansion plans, and we've implemented our capacity expansion plan to service them. So certain products could grow, while the overall maize grinding could be in the 5% to 10% range. This is all before we set up a new plant.

Harsh Shah: Got it. And sir, in terms of gross margins, so I mean, if we look 2 to 3 years back, we were at somewhere around 37%, 38%. And now we are at around 31%. So is it fair to assume that in terms of gross margin, we are at the bottom and from hereon, we will be given that we are moving towards value-added product and the pricing environment is slightly improving. So is it fair to assume that the gross margins have bottomed out from these levels?

Bhavdeep Sardana: See, it's our efforts to move towards more value-added sales. It's been our consistent effort to move towards value-added sales, but then I always on these calls, I always mentioned that sometimes starch gives a better margin. So what we are doing consciously is building capacity of the products rather than just likely adding a maize grinding, so we can chop and change in our product mix as the market changes.

Harsh Shah: Okay.

Bhavdeep Sardana: And that also increase our margins. So our effort is now to increase the margin. So I think I've answered your question very clearly.

Harsh Shah: Yes, yes, you have. And sir, what could be the power cost for FY '24? Because I believe in FY '23, it was somewhere around INR154 crores, INR165 crores almost 10-odd percent or 11% of our sales. So where do we stand in FY '24 and going ahead, do we expect this cost to -- as a percentage of sales to come down a bit?

Bhavdeep Sardana: So I -- it is similar, but it is marginally lower -- let's say, it is marginally lower. I want to say by a couple of percentage points. But going forward, when we -- that's why we are saying that when we expand our capacity in a more significant way when we are looking at greenfield and brownfield, then this element would go down even more. And we would be in line with a larger more -- relatively more efficient stand-alone units anywhere in the world.

Harsh Shah: Got it. That was helpful.

Moderator: Next question is from the line of Ronak Shah from Equirus Securities.

Ronak Shah: My question is regarding the capacity expansion. So as you explained that the recovery in the FMCG space and you are witnessing some green shoots in that demand. But you and industry per se are expanding very rapidly. So which are the other key levers which you and industry is feeling that will drive growth going ahead?

Bhavdeep Sardana: See, this whole reliance of Making in India, more product in India, PLI scheme was a big push for Indian products being -- food products being exported as global challenges -- as global challenges of supply chain and the China plus 1 for ingredients and India being favorably placed in terms of both self-growth within India and export-led growth to our neighboring countries. I think all that emboldens the starch industry, including us, to add capacity at strategic locations and we grow our portfolio accordingly.

Ronak Shah: Okay. Got it, sir. My second question is regarding current RM environment scenario. So we are witnessing inflation in the price of the maize vis-a-vis the international prices of the starch and its derivatives are likely stable or on a lower side. So how we are seeing the realization trend and the margins going ahead?

Bhavdeep Sardana: See, because the raw material pricing is in India is unique because Indian maize is protected to a very large extent. Indian maize is a non-genetically modified maize and therefore, if there is an outage only similar type of grain can come. And Indian pricing has always been traditionally higher than the U.S. -- U.S. price or Ukraine price or Argentina price.

But as far as our products globally are concerned and due to efficiency in large plant and disruptions in the global supply chain and energy costs globally, Indian manufacturers as we increase our capacity, we find it of value to capture additional markets. So that is what is happening in the industry, and I see that track to continue for a short to medium term.

Ronak Shah: Sir, in numbers, can you quantify is the current realization trend is sustainable or we are expecting some uptick in this trend?

Bhavdeep Sardana: See, we are a maize dependent raw material-driven business, the entire industry. So while I'm quite confident that Indian export opportunity and domestic consumption in sectors such as FMCG, pharma, paper and textile will continue as the country moves towards better growth and the country moves towards our demographic dividend of a young population gets more and more into the workplace, either through big economy or through formalized economy.

And I think post elections, there is going to be a energy put into the economy by servicing people at the bottom of the pyramid. That will drive growth for our products. Now what the margins will be, I can't say. But yes, definitely, there is going to be good demand. And as you can see from our margins and others in the industry, they are pretty much range bound.

We see as high as 14%, 15%, but then during conventional periods, we are 9%, 10%, 11%. So I expect the same kind of trend to continue. What will happen 6 months down the line, I can't say. But yes, I think India is placed very well for growth. And our company is hoping to capitalize on that growth.

Ronak Shah: Got it, sir. Sir, my last question is regarding -- as recently, you stated that you are partnering with the FMCG player regarding their fixed or contractual lifting. Can you explain it a bit more in detail that how we are having arrangements in terms of the fixed contract lifting or -- and how we determine the price, either on spot or fixed base?

Bhavdeep Sardana: See, I did not say there is a fixed contract with this thing. We have relationships with FMCG, and we get to our contractors for pricing and we are quarterly priced. It could be a quantity contract. But when we work with them, they tell us what their growth plans are. And if they need a particular product from us, in a particular geography. And we work with them because of the relationships built and the trust we have built over the years. They tell us in advance that in 2-year time, we would be running and we would hope that you are able to maintain the supply position of being the majority supplier and which can volume growth to be so and so. So we either expand before they do or we coincide with them.

As far as pricing is concerned, we negotiate as a -- it's our company policy not to get into any fixed-term, long-term contracts which are forward-looking. We negotiate on the day when we are ready to place an order of a certain quantity or for a certain period.

Moderator: Next question is from the line of Deep Gandhi from Astute Investments.

Deep Gandhi: Sir, my first question is around the RM cost. So has the industry made any representation to the government for allowing the imports of maize because I think in the past, whenever the prices have increased beyond certain point, the government has allowed the import of maize, right? So has the industry made any representation?

Bhavdeep Sardana: See, this is an ongoing process -- industry and this -- we are very lucky that the government has, in the recent past, within the last couple of years, allowed imports and long-term imports did come into India.It has benefited certain manufacturers and other stakeholders of the maize industry like the poultry and field players who work the base near the ports. To co-create the pressure of maize at the traditional maize growing areas. So the relationship between industry and government is I think fantasticand government is the ally to the situation. Government doesn't want…

Moderator: Sir, your voice is breaking, sir.

Bhavdeep Sardana: Yes. So I'm saying there is no problem as far as getting maize to import in the country. Any application being made, it's a regular affair. And the domestic maize crop does not significantly increase. The government is open to allowing maize non-DMA maize for specific users in the starchindustry or the poultry industry.

Moderator: Next question is from the line of Jasmeen Kaur from Fortuna Investments Advisors.

Jasmeen Kaur: Okay. Sir, I wanted to know what is the capacity utilization for FY '24 that you could achieve?

Bhavdeep Sardana: Close to 83% to 85% at that level.

Jasmeen Kaur: Okay 83% to 85%. Also sir you said about the Greenfield capex or a Brownfield capex that you would be looking for, could you give us a bit on the size that you are thinking of and the capital outlay that you are thinking of very broad estimates are also fine because I understand that this would still be at the drawing board stage, but in terms of timelines and capital outlay?

Bhavdeep Sardana: See generally we would be looking at 1,000 tons. It could be 1,200 tons, it could be 1,000 tons. It all depends on what final products we add alongside it. So the cost of a plant would depend on A the location and the type of order that we need to cite at that location that drives the -- I would say it would be safe to assume looking at competition who have recently partially commissioned their plants with single products. I think they spent close to INR200 crores. but our total capex would be dependent on what we decide on the product mix again that is dependent on the location we would.

Jasmeen Kaur: Okay. And sir in terms of the timeline, I mean, are we looking at next year, next financial year for this because this year, you're -- the other 400 metric tons is going to come up. So are we going to start work on this from next year onwards?

Bhavdeep Sardana: See, logically what you're saying may mean that, but I am not ruling out possibility that in case an opportunity comes, we don't want to let go or we feel confident. We may look at it in Q4 this year also. But since this is going to be a very large project, we want to do our due diligence and we want to take our time. We can't take a decision half handedly without doing multiple surveys and doing a process of going through a process of making and ruling out possibility.

Jasmeen Kaur: Sure, sure. And sir, in terms of -- see, the long-term debt has quite significantly come down over the past few years from the time you did your last capex. So I mean, this is also going to run down further. And I think there is a fair amount of cash, which has been built up on the balance sheet. I mean you can correct me, but I would assume in the range of about INR80 crores to INR100 crores. So what is the comfortable debt level that you're looking at when you embark on this next phase of expansion. So how can I look at the tax position for the company, let's say, in the coming 2 years' timeframe?

Bhavdeep Sardana: See, our company's strategy has always been to keep a very comfortable debt-to-equity position. Right now we are less than 1.17 also. I think last Q3 we were 0.17 we would be even lower than that 1.15, 1.16. So naturally long-term debt would get retired. There is financial debt. We can easily go to 0.6, 0.6 again when we need to.

So answering the last question the company has a present debt-to-equity ratio of 0.16. We can safely go up and add to it. And until -- and we would be retiring more debt this year and adding to our reserves through company's regular operations. So any project which we do would be commissioned between 24 months to 30 months that would be our target ideally. Final timelines would be dependent on the product mix. So there would be significant contribution from internal resources and we can pick and choose how much debt we need to take. So we have that flexibility and of course we've been adding to our reserve as you can see on our balance sheet.

Jasmeen Kaur: Sure sir. Si, just one last thing. On the current 400 new -- how do you see the ramp-up of this in terms of capacity utilization for the part of the year that it will be operational this year and next year. In terms of your visibility of demand from the various sectors, how do you see this ramp-up happening given that currently you are at about 83%, 85% of the current capacity?

Bhavdeep Sardana: So since your voice was not very audible, but I think I got the gist of your question. I'm quite confident of further volume growth this year. And while we are in the process of adding capacity of both maize grinding and product at various locations. So capacity enhancement in both products and maize grinding should happen this year and towards the latter part. And FY '25-'26, again, I'm hopeful that we would grow maybe up to even 10% more volume growth from the level we will finish at '24-'25.

Jasmeen Kaur: Okay. So then that means that the enhanced capacity for this to ramp up will take some time because I mean, you're seeing about 10% volume growth. So we may not look at about 80%, 85%.

Bhavdeep Sardana: Not really. We are looking at and we will -- see this is an expansion. So capacity utilization as a percentage terms would be on the higher side. It will not be low. So -- and we would expect some of it to come in H2. Now whether it comes in what part of Q3 or early Q4, we had -- we are pushing for it to come as soon as possible. So that will give the right fillip.

Jasmeen Kaur: Sure sir. Thank you very much sir.

Moderator: Thank you. Next question is from the line of Urmi Khania from Robo Capital. Please go ahead.

Urmi Khania: Sir since you are expecting good growth in volumes, what is your growth outlook for revenues for the year FY '25 and also FY '26?

Bhavdeep Sardana: See I can't comment on what the pricing of maize will be. As you can see that we -- as I mentioned that we've grown in volume. Over last year, and our top line has fallen. It's primarily because of pricing pressure and changes in raw material pricing through the year. But safe to say that if the current trend goes that to be very conservative maybe 6% to 8% growth on top line can happen from the current levels. It can be more also depending on how maize pricing behaves through the year.

Urmi Khania: Okay. And since you are adding capacity, will that add to some more percentage for FY '26?

Bhavdeep Sardana: We are hopeful. We are hopeful that FY '26 will be a better year than FY '25. And again our efforts in volume growth will definitely be there. And I'm confident that growth will materialize as per our plan. However, what I cannot predict is how maize pricing will be forward looking beyond one season.

Urmi Khania: Okay. Thank you so much. That's it from my side.

Moderator: Thank you. The next question is from the line of Sahil Vora. Please go ahead.

Sahil Vora: Yes. Sir, what kind of revenues are we expecting from this new plant in FY '25? What kind of revenues and what -- if you could please throw some light on that?

Bhavdeep Sardana: There is no new plant we are setting up. I think you've misheard the conversation. We are expanding products and expanding capacity at various locations of our existing locations. And as far as revenue growth is concerned, I mentioned in the previous -- to the previous caller, we are hopeful. We are aiming for minimum 5% to 6% revenue growth, maybe more, but there are various factors which affect it. So -- but volume growth is going to be there and top line raw material will have a part to play in it for the rest of the year.

Sahil Vora: I'm also particularly interested in the...

Moderator: Sorry to interrupt Mr. Sahil. Your voice is breaking.

Sahil Vora: Yes sir. I'm also particularly interested in understanding how the demand is shaping up -- the demand trends in our key end user industries across Europe and U.S.A.

Bhavdeep Sardana: I didn't understand the demand trends in the key industries and what about Europe and U.S.A.?

Sahil Vora: How they are shaping up in our key end user and industries over there?

Bhavdeep Sardana: I can't comment on in detail on what is happening in Europe and U.S.A. But safe to say that our global peers are growing their business and from what we see in their geographies, I cannot comment on micro environment product-wise in U.S. and Europe because we are servicing the paper sector.

Paper manufacturing has moved out to China, parts of Southeast Asia and India is now playing catch-up. Textile has moved out of there. So we are servicing those geographies, and we are concentrating on those geographies. As far as FMCG products are concerned, there could be a parallel between Europe and U.S.

We are moving on up the value chain in terms of quality deliverables to our customers, and we are working on global standards. So our -- but as India and other places in Southeast Asia and Africa become global factories for the world, the concentration is going to be on this side. So I can't really comment on your question beyond that.

Sahil Vora: Okay, sir. And lastly, how do you anticipate the high-value products will recharge our sales in the coming quarters? Are there any strategies in place to drive growth in this segment?

Bhavdeep Sardana: Your voice is very breaking Mr. Sahil. Can you please repeat the first part of your question?

Sahil Vora: Yes sir. How do you anticipate that the high-value products will recharge our sales in the coming quarters?

Bhavdeep Sardana: So we are hopeful that it will be positive. I've mentioned that FMCG sector and certain sales to the pharma sectors were impacted, but they turned the corner. FMCG commentary in the financial paper by the various CEOs attribute to growth in their business forecast. And we hope to also grow our business to them in the coming year.

Sahil Vora: Okay sir. Thank you so much and all the best.

Moderator: Thank you. Next question is from the line of Dishant Jain from Quasar Capital. Please go ahead.

Dishant Jain: Just wanted to ask one question. What was the volume growth for FY '24?

Bhavdeep Sardana: See I will not give you the exact number, but there was a -- there was a volume growth and I would leave at that. It's more of a strategic question in giving you an exact number.

Dishant Jain: Okay. Thank you. That's it from my side.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to the management for the closing comments.

Dhiraj Sardana: Thank you. I am on behalf of Sukhjit would like to express my gratitude to all of you for joining us today and sparing your precious time for us. We hope to see you back in our next concall. If you still have any queries and questions, you may write to Mr. Bhavya Shah our Investor Relations agency that is Orient Capital. Thank you ladies and gentlemen, and have a good day.

Moderator: Thank you. On behalf of The Sukhjit Starch and Chemicals Limited that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.