



Dwarikesh Sugar Industries Q3 and 9M FY25 Earnings
Conference Call
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Dolat Capital



MANAGEMENT: **MR. VIJAY S. BANKA – MANAGING DIRECTOR - DWARIKESH SUGAR INDUSTRIES LIMITED**
 MR. B. J. MAHESHWARI – MANAGING DIRECTOR AND COMPANY SECRETARY CUM CHIEF COMPLIANCE OFFICER - DWARIKESH SUGAR INDUSTRIES LIMITED

MODERATOR: **MR. KRUSHNA PAREKH – DOLAT CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to the Dwarikesh Sugar Industries Q3 and nine months FY25 Earnings Conference Call, hosted by Dolat Capital Market Private Limited.

As a reminder, all participant lines will be in 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 “*”, then “0” on your touchtone phone.

I now hand over the conference to Mr. Krushna Parekh from Dolat Capital. Thank you, and over to you, sir.

Krushna Parekh: Thank you. Good afternoon, everyone. On behalf of Dolat Capital, I would like to thank the management of Dwarikesh Sugar Industries for giving us the opportunity to host their Q3 FY '25 earnings conference call.

From the management team we have with us today Mr. Vijay S. Banka – Managing Director; and Mr. B. J. Maheshwari – Managing Director and Company Secretary cum Chief Compliance Officer.

Without further ado, I would like to hand over the call to the Management for their opening remarks, post which we will open the forum for a Q&A session. Thank you, and over to you, sir.

Vijay Banka: Yes. Very good afternoon. This is Vijay Banka speaking on behalf of Dwarikesh Sugar Industries Limited.

I welcome you all to the Q3 and nine months FY25 Earnings Call Conference. Our Results were published yesterday and let me take you through the highlights of our Results.

During Q3 FY25, we have reported profit before tax of about Rs. 16 crores, and profit after tax of about Rs. 11 crores. This is as compared to profit before tax of about Rs. 14 crores and profit after tax of about Rs. 10 crores that we had clocked in the corresponding quarter last year. So, there is a modest improvement in the PBT and PAT numbers.

Now to talk about the total income, etc. The total income during the period was Rs. 316 crores, almost similar to the total income that we had clocked in the corresponding quarter last year. However, during the nine months FY25 period, our total income was Rs. 906 crores vis-à-vis of Rs. 1,339 crores in the corresponding nine months period last year. So, in so far as nine months FY25 results are compared, our results of this nine months pale in comparison to the nine months results of the corresponding period last year.

Let me take you through the macro numbers of the sugar sector. ISMA had last come out with its estimate and they had estimated that the gross sugar production will be 33.3 million tonnes, and they had factored for a diversion of about 4 million tonnes for ethanol production. Which means ISMA was estimating a net production of 29 million tonnes. However, this number has a

definite downward bias as of now, because as per the recent research reports which have come out, indicate that UP will clock lower than expected production because of the lower yield as well as lower recovery

One welcome development that has happened in the last few days is that the Government of India has approved the export of 1 million tonnes of sugar. So, we will have the flexibility to either export directly or to swap our quota with a mill which is exporting directly. Typically, mills in Uttar Pradesh, they exchange their quotas, we normally do not do direct exports because of the logistic advantages, which mills in Maharashtra and Karnataka enjoy. So, we swap our quota with them. And this development is positive in the sense it will improve the cash flows of sugar mill as well as it will give a boost to the sugar prices, which have been in a muted state for the last quarter.

Sugar prices were well below the Rs. 3,800 mark in the last quarter, however, prices have since rebounded and presently sugar prices are in the range of Rs. 3,950 or so. Well, during this quarter, Q3 FY25, we sold about 4.99 lakh quintals as compared to 4.94 lakh quintals of sugar sold during the corresponding quarter last year, a marginal improvement. Average realization though has come down, it is Rs. 3,772 per quintal vis-à-vis Rs. 3,852 per quintal that we had realized in the corresponding quarter last year. And I had mentioned earlier, sugar prices were muted and subdued during the entire duration of the last quarter.

So, for nine months FY25 period, we sold 17.71 lakh quintals as compared to 21.83 lakh quintals of sugar sold during the corresponding nine months period last year. Average realization though has been marginally better. Average realization for nine months FY25 period is Rs. 3,793 vis-à-vis Rs. 3,692 in the corresponding nine months last year. So, almost better by about Rs. 100 a quintal. We were carrying a stock of 8.27 lakh quintals on 31st December 2024 as compared to 7.71 lakh quintals that we carried on the 31st December 2023.

Industrial alcohol sales during Q3 FY25, we sold about 14,958 kilo liters of industrial alcohol compared to 14,172 kilo liters of industrial alcohol in the same quarter last year. However, on a nine months FY25 basis, our quantity of industrial alcohol that we sold was only 30,570 kilo liters as against 73,262 kilo liters sold in the corresponding nine months' period last year. So, whatever industrial alcohol that we sold during this quarter was produced directly from sugarcane juice. So, we have been running both our distilleries on sugarcane juice directly since the start of this season. However, going forward, we will take a call on this at the right time.

The Results of this Q3 and nine months FY25 were impacted by several factors. The volume of sugar sold was higher in Q3 FY25, but if you have seen, significantly lower in the nine months FY25 period, it was about 17.71 lakh quintals vis-à-vis 21.83 lakh quintals in 9 months FY24. More than that, the bigger drop came actually in so far as sales of ethanol is concerned over the nine months' period. Because of our crushing of season 2023-2024 come to an early end, in the month of March 2024 itself, there was virtually no activity in the distilleries during the

first two quarters. However, with the start of the season, sugarcane crushing is resumed and so also the industrial alcohol production in both the distilleries.

So, Q3 FY25, as we have seen, there has been some improvement in the profitability. Our loan profile continues to be lean and trim. We have loans of Rs. 162.58 crores term loan, and they all are at subsidized rate of interest. And going forward, we are making all the efforts to improve the varietal mix because the setback that we suffered in the last season was huge as our crushing truncated early and so also the quantity of sugarcane crushed was substantially lower, which in turn resulted in lower availability of molasses and therefore lower ethanol production. So, it has had the cascading effect on all the profitability parameters.

And we are making a lot of efforts to improve our varietal mix so that we overcome this menace of red-rot, which has impacted and devastated the entire state of Uttar Pradesh, though not all at the same time, Eastern UP was impacted earlier and then came the impact on Central UP and now, it has spread to the Western UP as well. So, we remain committed to improving our varietal mix. We remain committed to improving and exercising a lot of financial discipline. And we remain committed to ensuring cost controls wherever possible, cost rationalization wherever possible.

Like I said, the silver lining is the announcement of exports. So, this should augur well for the future. Secondly, there is on the anvil an increase in the ethanol procurement price. So, that will also boost the profitability of sugar companies.

Thank you very much. I open the house for question-and-answer session. Please do feel free to ask me any kind of questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of CA Garvit Goyal from Nvest Analytics Advisory. Please go ahead.

Garvit Goyal: Sir, I just want to understand from you, like the outlook in the upcoming quarters, particularly on the domestic production for sugar, sir?

Vijay Banka: Domestic production for sugar, like I said, ISMA's estimate is now due for revision. ISMA is in fact meeting on the 31st January 2025 to have a re-look at the production estimate. But as I mentioned in my opening remarks, there is a definite downward bias because UP has not been reporting encouraging production numbers because the yields at the farm level is lower and so also the recovery levels are also lower. So, we definitely expect a downward revision to the production numbers. However, we expect reasonable levels of stock to be maintained at the end of this season 2024-2025, which will be as on the 30th of September.

Garvit Goyal: No, that I understand. Sir, like you mentioned in your opening remarks, UP is on lower levels, but what is the underlying reason for the same? Like, is it continuing to be so in FY26 or what's the exact picture of it?

- Vijay Banka:** In UP, perhaps the weather has stayed the same as last time, which is why the yields are lower, and yields are lower also because of the red-rot attack. And there is a talk of a downward revision in the production estimates of Maharashtra also, which is because of, again, excessive rainfall the state had received in the monsoon months.
- Moderator:** Thank you very much. The next question is from the line of Dhvaneet Savla from Savla Family Office. Please go ahead.
- Dhvaneet Savla:** My question is with regards to, how can we look at the crushing season which is currently going on?
- Vijay Banka:** It continues to be challenging, sir, because there are lingering problems. This varietal replacement is a two-year -- two-season phenomenon. So, we have suffered in the last season, and we do not expect any substantial improvement in this season as well, but season 2025-2026, we should get back our momentum, sir.
- Moderator:** Thank you. The next question is from the line of Sanjay Manyal from DAM Capital. Please go ahead.
- Sanjay Manyal:** Sir, I just have a few questions on the sugarcane variety front. What would be the CO- 0238 reliance in our catchment area? And how would it change, say, for next season? Yes, that's my first question.
- Vijay Banka:** Yes. Let me talk unit-wise. You see in Bareilly unit, which is in Faridpur, so this season, we expect a supply of non-0238 variety of about 64%, 36% to 38% will be 238 variety. But in the coming season, we will have zero supply of 238 variety. But in Bijnor district units, we have two of our units there. So, there, the red-rot actually impacted late. So, there -- while in the coming season, we will see the entire plant came to be non-0238 variety, but the ratoon cane will be still 0238 variety. And the season thereafter, we will have absolutely no 0238 variety in these two units as well. Now, a lot of varieties are being propagated. There is 118 variety, which is being propagated, there is 15023, 14021. So, this time, there is a conscious effort not to depend on a single variety. And all those varieties are good, reasonably good. So, going forward, we will want to have a mix of the early maturing varieties.
- Sanjay Manyal:** And how are the recoveries in these varieties? Is it better than CO-0238 or not as good as --
- Vijay Banka:** They are comparable. They are comparable. Actually, this season, we are not able to get a good idea because even in 238, the recoveries are lower.
- Moderator:** Thank you very much. The next question is from the line of Mr. Nitin Awasthi. Please go ahead.
- Nitin Awasthi:** Hi, sir. So, a few questions from my side. Firstly, the downward revision that you are talking about, any quantum in mind?

- Vijay Banka:** No, sir. Actually, representatives of all states will be meeting in the ISMA meeting. So, well, I may have some idea about the UP state, but I wouldn't have more idea about the Maharashtra state or the Karnataka state or the other states. So, we will have to wait till the meeting gets over. You see, these sugar estimates are estimates only. Even world over, if you see, every fortnightly, every monthly, the revisions do happen. So, I am sure ISMA will come out with a credible number this time.
- Nitin Awasthi:** Yes, sir. And for UP itself, where you said you would have some idea, how low is the number?
- Vijay Banka:** It was 10.5 million tonnes last time. So, this time we expect it to be around 10 million tonnes also.
- Nitin Awasthi:** Sir, next question was the carrying cost of the sugar inventory as of now, if you could point out the figure of that.
- Vijay Banka:** Yes, we are carrying inventory at Rs. 3,764 a quintal.
- Nitin Awasthi:** Sorry, come again, sir?
- Vijay Banka:** Rs. 3,764 a quintal.
- Nitin Awasthi:** And do you have the figures for last year, this time?
- Vijay Banka:** No, I do not have the figures of last year, this time.
- Nitin Awasthi:** Why I would like to get that, I think this number has been constantly rising because of the way how the sugar cycle was --
- Vijay Banka:** Yes, , because of the recovery having come down, and the procurement cost you see between last year, last year around the same time, maybe we were carrying some stock of the earlier season where there was no increase in the sugar cane price. And last season, the sugarcane prices went up this year. So, there will be full impact of whatever sugarcane price was announced last season. Plus, of course, there has been a dent in the recovery, like I said. So, because of that, the cost of production is higher, which is the reason why the valuation rate is also higher.
- Nitin Awasthi:** Sir, on this point itself, there's again a talk about revision also, given in the notes of accounts you have said that SAP revision is due for this season, any thoughts on that?
- Vijay Banka:** No. See, SAP revision is due every year, but it's not been announced. And because there has been so much of delay, we do not expect any increase in the SAP.
- Nitin Awasthi:** Sir, lastly, as of now, what is the cash on the books?

- Vijay Banka:** No, we are utilizing our credit limits now, but there has been a marginal utilization of the credit limits.
- Nitin Awasthi:** No, no, as of now the cash amount on the books?
- Vijay Banka:** You mean cash and cash equivalent, is it?
- Nitin Awasthi:** Yes.
- Vijay Banka:** I do not have the number right now. I can get back to you. I have to get back to you on two points, right? One is on the inventory valuation on the same date last year and the cash and cash equivalents on the books on 31 of December, right?
- Nitin Awasthi:** Correct.
- Vijay Banka:** Okay. I will get back to you.
- Nitin Awasthi:** Because if I remember correctly, on September, the last quarter ending, the value was about Rs. 216 crores as per the balance sheet.
- Vijay Banka:** Yes, you see what happens is, at that point in time, there are no cane dues and there is cash surplus
- Nitin Awasthi:** Correct, sir.
- Vijay Banka:** So, now, we have paid all our cane dues on time. In fact, ahead of schedule, we have paid. So, typically our working capital requirement builds up, starts building up from November onwards from the time we start crushing and it peaks during March. So, in that sense, we will not have any FDs in our books as on 31 December.
- Nitin Awasthi:** So, basically the previous cycle, so the normal business was run by the short-term borrowings for this period.
- Vijay Banka:** We will have cash surplus between the period July to October.
- Nitin Awasthi:** That's because you are not taking up the short-term borrowings, which normally is what is used for the working capital, correct?
- Vijay Banka:** Yes. We do not have any short-term borrowings on those dates. And whatever surplus money is there is parked by way of a FD.
- Moderator:** Thank you very much. The next question is from the line of Sanjeev Damani from SKD Consultants Private Limited. Please go ahead.

- Sanjeev Damani:** Sir, my first question is regarding the export quota that we will be entitled out of 10 million tonnes and --
- Vijay Banka:** So, our quota is 10,444 metric tonnes, sir. It works out to roughly 3.23% of the average production that we have clocked in the last three seasons.
- Sanjeev Damani:** And second question is, would it be somewhat gainful? I mean, will we be getting a better price than the domestic market when we sell our entitlement?
- Vijay Banka:** Sir, when we will swap our export quota with the domestic quota, there will be a consideration. So, for us, it does not make enormous sense to export directly because the mills closer to the ports are the ones who benefit most by exporting directly. So, we swap our quota. We will be entitled to domestic quota, so for example, 10,444 metric tonnes, we will have additional domestic quota divided in five equal months starting from March to July 2025
- Sanjeev Damani:** And sir, this export has been notified or not, because it was announced and then it was --
- Vijay Banka:** Yes, already notified, already notified. Agreements have started happening.
- Sanjeev Damani:** It has started happening already, okay.
- Vijay Banka:** Yes.
- Sanjeev Damani:** So, do we foresee to get it completed in next 15-20 days, no?
- Vijay Banka:** No, we will be done with our swapping agreements within the next 15 days. For the physical exports to happen, the government has given time till 30th September 2025. Our obligation ends when we sign the agreement for swapping and submit it to the department.
- Sanjeev Damani:** So, it is sort of a premium that we will get when we give this entitlement to someone for some consideration.
- Vijay Banka:** Yes. Typically, the differential, as we may call it.
- Sanjeev Damani:** And sir, now I am coming to one more question that, I mean, we are having a installed capacity of 21,500 metric tonnes per day crushing.
- Vijay Banka:** Correct.
- Sanjeev Damani:** So, are we running at full capacity right now, or we are not able to utilize it fully?
- Vijay Banka:** No, we are running at our full capacity. The only thing, the number of crushing days will be more or less, that is how it works.

- Sanjeev Damani:** And will it be less than last year, or will it be better than last year?
- Vijay Banka:** There are challenges. We do not know. Still, we are some distance away from the closure of the season. So, in the coming days, we will come to know how much crushing will happen.
- Sanjeev Damani:** Sir, can we use rice also to make ethanol in case of need? Are we having extra capacity, I mean, in our distillery?
- Vijay Banka:** No, actually our plants are not equipped to use rice. They are not multi-feed plant that we have. But our model that we are going to follow is that we will use juice during the season and during the off-season, we would have generated B-Heavy molasses, which we are storing. So, we will use B-Heavy molasses for production of ethanol during the off-season.
- Sanjeev Damani:** And then we do not have any extra capacity in a good sugar season, we will not have any extra capacity from --
- Vijay Banka:** In a good sugar season, yes, we will not have extra capacity. You are right, absolutely.
- Sanjeev Damani:** So, are we planning to have that facility on to convert --
- Vijay Banka:** No, sir. Our first target is to get back to our regular crushing activities. We are grappling with the problem of red-rot menace.
- Sanjeev Damani:** Yes, that's fine. So, are we persuading Government of UP to give us a somewhat better price for our levy molasses, if at all?
- Vijay Banka:** That effort is on, sir, always on, always on.
- Sanjeev Damani:** It is such a low price, sir, even, I mean, we not -- we are very, very small shareholders are least concerned, but we also feel very bad that in these times, why are we so much penalized. I mean, any industry should not be penalized like this.
- Vijay Banka:** Sir, for your kind information, UP is the only state where there is a country liquor obligation on the part of sugar mill, no other state. And somebody who drinks, if he buys country liquor, let's say, for Rs. 70, he wouldn't mind paying Rs. 75, Rs. 80. So, there is absolutely no problem, why should there be a reservation at all. It's a multi-pronged battle, which we have been fighting for quite some time, sir. So, I am sure in some time in future, we will be able to break the ice.
- Sanjeev Damani:** Sir, last opinion of pricing that, do you see sugar prices to go to Rs. 41, Rs. 42 in near future?
- Vijay Banka:** I think they will hover around Rs. 40, sir. It's very difficult to talk about how the market reacts. Yes, once the quota was announced, the prices touched Rs. 4,000, but then again, they subsided a little, so presently around Rs. 3,950. But yes, I am with you when I say that why shouldn't sugar prices cross the barrier of Rs. 40? Why should there be a barrier at all?

- Sanjeev Damani:** For two reasons, the cost of production has also gone up, and secondly, some sort of less production is going to come, which may give some comfort.
- Vijay Banka:** Absolutely. We in the industry feel that sugar prices should also go up and sugarcane prices also should go up, so that it's a win-win situation for the sugar mills as well as the farmers.
- Sanjeev Damani:** Sir, last question about the syrup prices. Many talks are going on that only Rs. 2 will be revised for syrup. So, I think that will not be very economical, sir. I mean, would it be?
- Vijay Banka:** Yes, sir, but whatever, after not getting anything last season, whatever little we will get, we will accept it with humility, sir.
- Sanjeev Damani:** Okay. Thank you very much, sir. You are so kind, sir. You really made me understand.
- Vijay Banka:** Thank you so much, sir.
- Moderator:** The next question is from the line of Ritesh Poladia from Girik Capital. Please go ahead.
- Ritesh Poladia:** Sir, will we cross average crushing this time of 375 lakh quintals?
- Vijay Banka:** No, sir. Last year, last season, we crushed 268 lakh quintals. And like I mentioned, we are still dealing with the challenges of red-rot. So, 375 lakh quintals seem very far-fetched as of now, but more clarity will come in the next one or two months, sir.
- Ritesh Poladia:** So, do you think crushing will go beyond 31 March?
- Vijay Banka:** Let's wait and see, sir. What is the yield that one gets in the plant crop because the ratoon crop has now stopped coming. So, it is the plant crop totally, it's a different perspective in so far as the plant crop is concerned. So, once the plant crops comes, it started coming already, but there will be more clarity on its yield in the times to come, sir.
- Moderator:** The next question is from the line of Riya from Equirus Investment. Please go ahead.
- Riya:** Sir, I just wanted to know, given the current dynamics, how is the profitability looking like? Earlier, we used to say that B molasses, ethanol was the most profitable and going forward then sugar and then C and then syrup. So, what is the current profitability? How do we see in each segment?
- Vijay Banka:** Ma'am, actually, making ethanol from B-Heavy molasses is still the most profitable thing. But in the last 15 days, the total dynamics have undergone a big change. Sugarcane prices have gone up reasonably well. So, we will have to wait and see. We are just looking at our numbers and we will arrive at the right mix for our production of our ethanol as well as sugar.

- Riya:** And what would be the breakeven price where we would be okay with either B-Heavy or sugar, that we would not sacrifice sugar?
- Vijay Banka:** Sorry?
- Riya:** What would be the breakeven price at which we would be okay to produce either sugar or produce ethanol from B-Heavy molasses?
- Vijay Banka:** So, that was around Rs. 3,850. So, like I said in the last 10-15 days, the total dynamics has undergone a change. So, we will wait for some kind of certainty so far as the sugar prices are concerned. So, we will take a call on that very shortly, ma'am.
- Riya:** So, what are the current prices like?
- Vijay Banka:** Rs. 3,950. Whether sustainable or not is the question.
- Riya:** Generally, the prices tend to move ahead at the end of the season, around October-November, if I am not wrong.
- Vijay Banka:** Yes, it does tend to move up. It does tend to move up, but you see, there is never any certainty. For example, there was no reason why the prices were so much subdued and muted during the last quarter. So, we will have to take a call how much the prices are sustainable and accordingly take a decision.
- Riya:** Also, what is your take on the incremental 1 million tonne, which the government is allowed for exports?
- Vijay Banka:** Ma'am, sorry, what is your question?
- Riya:** What is the take on the incremental 1 million tonne, which the government has allowed for exports?
- Vijay Banka:** It's a very positive step. It was long awaited and it's a very positive step. The reason why you are seeing increase in the sugar prices is because of that, which means that we will not have an overhang of big stock situation as on the 30th of September 2025. The stock levels will be reasonable enough to take care of three months of consumption requirements of the country, but reasonable enough to support a decent sugar price.
- Riya:** For a reasonable stock level would be around 6 million tonnes, 6.5 million tonnes?
- Vijay Banka:** 5.5 million tonnes to 6 million tonnes is a reasonable stock level.
- Riya:** What will be the current international prices?

- Vijay Banka:** Current international prices for raw sugar, it's around 18 cents a pound and it's gone above that mark. And for white sugar, it's around US\$ 485 per metric tonne.
- Riya:** And how is your outlook in the Brazil for the current season?
- Vijay Banka:** Ma'am, ISO has projected a deficit season for 2024-2025. So, the prices should remain firm. There is no reason why there shouldn't be, it's just because the prices seem low because of the appreciating dollar all across vis-à-vis other currencies, but if you look at it in Real terms or in INR. terms, the prices are reasonable.
- Riya:** Got it. And for export also, the government will give us a dedicated quota to different mills, right?
- Vijay Banka:** Yes, we have got a quota of 10,444 metric tonnes, ma'am.
- Riya:** Got it. And what would be the current recovery level on an industry-wise, because you said that there has been lower yield going forward?
- Vijay Banka:** No, the recovery is lower by about 50 basis points as compared to the last season at the gross level, but still there is plant supply, which is coming now. So, there could be some improvement there. Maybe sugar mills are able to make up for some lost ground in the coming months.
- Riya:** Got it. There should be 50 basis points across UP and Maharashtra both?
- Vijay Banka:** No, no, UP I am talking only about UP.
- Riya:** Only about UP. Maharashtra, do you see further reduction in recovery rates or in yields?
- Vijay Banka:** No, Maharashtra, we have not heard of any lower recoveries in Maharashtra.
- Riya:** And sorry, just to ask a further couple of point two questions. For grain-based ethanol, we have been hearing that they have not been profitable. Do you see any closures of distilleries or something like that?
- Vijay Banka:** Grain-based ethanol, yes ma'am, actually, the government & oil OMCs are paying a higher price for that. So, from their perspective, it's a costly procurement. And in so far as the current prices of rice as well as maize, there's not much of margin. But anyway, since we do not make, I am not an expert to comment on that.
- Riya:** No, I was just talking in terms of grain-based ethanol distilleries are closing down. I think it gives the government more impetus to increase the prices for molasses made --
- Vijay Banka:** Yes, see, molasses-based distilleries are the natural distilleries, if you ask me. Because molasses-based distilleries, feedstock is not a problem at all. The feedstock comes from within. Whereas

in the case of grain, you are dependent on external feedstock. You have to buy rice sometimes from FCI. Last year, there was a ban on procurement of non-sale of FCI rice. Then maize, which is being encouraged to be grown and cultivated. But, here again, the prices keep varying. When there are more number of buyers, when there is more demand, the prices go up suddenly. So, an external feedstock is always a dicey proposition to be dependent on.

- Riya:** And in terms of ethanol for us, how much growth do we estimate for the current year?
- Vijay Banka:** Sorry, ma'am, I did not get your question.
- Riya:** What will be the current estimation of ethanol production for us?
- Vijay Banka:** For us, we have bid for about 7 crore liters of ethanol. So, we expect our production also to be in the same region.
- Riya:** And there is no problem from the OMC for procurement of the same thing?
- Vijay Banka:** Yes, there is no problem.
- Riya:** And if at all the VC and an industry level increase in the prices of ethanol from sugar, when will that be around? When will we anticipate this increase?
- Vijay Banka:** Sorry, ma'am, your voice is not clear.
- Riya:** Yes, sorry. So, when do we expect the industry, or the government to increase the prices for sugarcane-based ethanol?
- Vijay Banka:** Yes, yes, we do expect increase in the price, it's on the anvil. We do expect an early announcement of the increase in price.
- Riya:** That will be around, within one month.
- Vijay Banka:** We hope so, ma'am. It's been there on the cards for quite some time, but yes, I think it should happen any time now.
- Riya:** Got it. Thank you, that's it from my side.
- Moderator:** Thank you very much. The next question is from the line of Giriraj Daga from Visaria Family Trust. Please go ahead.
- Giriraj Daga:** So, one clarification, did you mention that last year we did about 268 lakh quintal of crushing?
- Vijay Banka:** Correct.

- Giriraj Daga:** Will we, let's say, reach like what 10% growth, similar number, or like what kind of number we are looking this year for crushing number?
- Vijay Banka:** Sir, last season challenges, whatever we faced, those challenges still continue to haunt us. So, this year, it's very difficult to forecast a number as of now will depend on the plant yield and the plant supply of sugarcane. But yes, since we would have made big changes in our varietal mix in the coming season, so we expect 2025-2026 numbers to be impressive.
- Giriraj Daga:** And that impressive means like last year, previous year I am talking about, not the --
- Vijay Banka:** Not 401. We did 401 lakh quintals in 2022-2023, but yes, substantial rebound from the numbers that we are experiencing now.
- Giriraj Daga:** Okay. Secondly, you mentioned about the 7 crore liters ethanol we did.
- Vijay Banka:** Yes.
- Giriraj Daga:** So, this year probably we will close about 5 crore liters, 5.5 crore liters in our current year. And like if the crushing is similar to last year, are we confident to supply 7 crore liter ethanol in the --
- Vijay Banka:** As of now, we are confident, sir. We will have to wait and see. As of now, we are confident.
- Moderator:** Thank you very much. The next question is from the line of Krushna Parekh from Dolat Capital. Please go ahead.
- Krushna Parekh:** So, with the improved crushing figures and potential upward revision in MSP for sugar, what are the key performance expectations for FY25 and beyond?
- Vijay Banka:** Sir, FY25, I can talk season-wise. You see, because the fiscal performance, it all depends on the prices that are prevailing, etc., etc. In so far as the crushing numbers are concerned, I can comment that yes, 2024-2025 season is going to continue with the challenges that we have had last season, but 2025-2026 should be a substantial bounce back season. And typically, however, the performance of the season is, a portion of it gets reflected in that particular fiscal and a portion of it gets reflected in the subsequent fiscal.
- Krushna Parekh:** And how are you balancing between the sugarcane juice syrup and the B-Heavy molasses, the mix?
- Vijay Banka:** We are doing -- during season, we do sugarcane juice. And while we are doing this, we are also generating B-Heavy molasses, and it will be used during off-season for making ethanol.
- Krushna Parekh:** And coming on to the exports front, what is the realization difference between the exports and domestic?



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- Vijay Banka:** So, the price differential is Rs. 4,000 a metric tonnes for the mills in coastal states.
- Moderator:** Thank you very much. Participants who wish to ask questions are requested to press '*' and '1' for asking questions. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- Vijay Banka:** Thank you very much. Thank you, friends. A lovely interaction in which I had the pleasure of answering your questions and also sharing our company's thoughts and perspectives. We once again would like to take this opportunity to thank you all for the confidence that you have reposed in us. We will try and improve our performance wherever possible in whatsoever manner possible.
- Thank you very much. I will hand over the call to my colleague Mr. Maheshwari for any comments that he may have.
- Balkishan Maheshwari:** Thank you all for your active participation and encouragement and we look forward to the same in future also. Thank you.
- Vijay Banka:** Thank you.
- Moderator:** On behalf of Dolat Capital, that concludes this conference. Thank you for join*ing us. And you may now disconnect your lines.