



Balrampur Chini Mills Limited

Q2 & H1 FY23 Earnings Conference Call Transcript

November 10, 2022

Moderator: Ladies and gentlemen, good day and welcome to Balrampur Chini Mills Limited Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded.

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

Anoop Poojari: Thank you. Good afternoon, everyone, and thank you for joining us on Balrampur Chini Mills Q2 and H1 FY23 Results Conference Call. We have with us today, Mr. Vivek Saraogi, Chairman and Managing Director; Ms. Avantika Saraogi, Business Lead and Mr. Pramod Patwari, Chief Financial Officer of the Company. We will initiate the call with opening remarks from the management, following which we will have the forum open for a question-and-answer session.

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

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

Vivek Saraogi: Good afternoon everyone and thank you for joining us on Balrampur's Q2 & H1 FY23 earnings conference call. I trust you've all had the opportunity to go through our results presentation providing details of our operational and financial performance. I'll initiate the call with an update on the current developments in the sugar sector, followed by our Company's key highlights for the period under review.

According to ISMA's latest estimates, India is expected to produce ~36.5 million tonnes of sugar for 2022-23 season after accounting for a diversion of ~4.5 million tonnes. More visibility on this probably would be available after a month where mills will get into full swing and we will get the first evidence of the yield of the ratoon crop. The increase is likely to be on account of higher acreage of sugarcane in the country. Given our consumption of ~28 million tonnes and inventory of ~6 million tonnes, we remain in a surplus situation. So, it is expected that we would need to export ~8 million tonnes this season to ensure stability in prices, while safeguarding the availability for sugar in the domestic market. Pragmatic export policies are being followed by the Government in the past, which have ensured sugar prices remain remunerative. So, in a welcome move, the Government has already allowed an export of 6 million tonnes and the industry is hopeful that this should get further extended as the season progresses and we have more clarity on the production. So, assuming the production is not ~36.5 million tonnes and it's ~35.5 million tonnes, the Government would probably tweak up the export from 6 million tonnes to 7 million tonnes.

Moving to the Ethanol sector. As most of you are aware, the Government has increased the procurement price of Ethanol for the Ethanol Supply Year 2022-23. This should provide impetus to the country's plan to achieve 12% blending of ethanol with petrol this year. As the third largest importer of oil and consumer in the world, India is clearly making efforts to double the ethanol blending program to 20% from the current level of ~10% by 2025-26. Maybe it could happen a year earlier.

On the business front, the company reported subdued results during the quarter owing to lower cane availability and lower recovery witnessed during the season 2021-22. This impacted the sugar division's performance in this non-productive quarter. While, we witnessed some unseasonal rainfall in Uttar Pradesh, the impact is expected to be marginal as the crop already had attained a certain level of maturity. So, there will be some delay in starting of mills by five to seven days. However, cane availability for us in the current year is estimated to be 15% to 20% higher than last year, ~10.25 crore quintal to ~10.5 crore quintal, against 8.88 crore quintal last year. We will get further better clarity on this within a month as I had indicated, both, at the Company level and at the country level. This estimated higher level of cane will enable us to deliver healthier operational and financial performance in the next year to not only make sugar, but also for the byproducts as well.

Coming to our Distillery business, our capex plan for the Distillery segment is on schedule and will significantly augment our capacity to 1050 KLPD by November-2022, resulting in total ethanol distillation of capacity of ~35 crore liters annually, including 5 crore from grain. This includes our cutting-edge distillery project in Maizapur, which should be one of its kind in the country. This would work on juice, B-heavy, grains as and when whatever feedstock is provided.

To conclude, BCML has always aspired for optimal investments in its operations, as well as creating value for the shareholders. To that effect, we are pleased to share that the Board of Directors has approved the sixth consecutive buyback program of maximum of 40.40 lakh equity shares at a maximum price of INR360 per share.

I would now like to hand the floor over to Pramod to take the call forward from here.

Pramod Patwari: Thank you and good day everyone. We can straightaway move into the Q&A section, as the detailed presentation has already been shared. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session.

The first question is from the line of Lokesh Maru from Nippon India Mutual Fund.

Lokesh Maru: Sir, I have just one question. After Q4, it is quite evident that if we have 15%, 20% higher cane, the next season is going to be quite upbeat. My question is on the next quarter, which is Q3, given that the inventory valuation that we have taken for sugar at 35, inventory at 10.9 lakh quintals compared to 18 before and again our inventory on alcohol side, ethanol side, so how would you portray Q3? As in would the pain from Q1 or the loss from Q2 continue in Q3 and then Q4 is actually going to be really good or just for Q3, how do you see Q3 as such?

Pramod Patwari: Q4 will always be the best quarter in terms of the seasonality. Now, as far as the Q3 goes, we have mentioned in the presentation as well, we've got an export quota of 1.98 lakh tonnes. Out of that 1.4 lakh tonnes have already been contracted for physical export. And we have sold our quota of 56,000 tonnes. Some portion of same will accrue in Q3.

Vivek Saraogi: Yes. And the crushing begins in Q3, though, three, four days late. So that's not a big deal. So, I don't think we have to give a quarter-to-quarter forward-looking statement, but yes, quarter three will not look like this at all.



Moderator: The next question is from the line of Shailesh Kanani from Centrum Broking.

Shailesh Kanani: Sir, couple of questions. One on the sugar export front what we have contracted. We'll be shipping out in the third quarter or the fourth quarter, how will that pan out and what will be the bifurcation between raw sugar and refined sugar in that?

Pramod Patwari: Shailesh, we cannot get the exact quantity which will be shipped in the third quarter or fourth quarter, but our endeavor would be to ship as quickly as possible.

Vivek Saraogi: But shipment, some part would happen in third quarter.

Pramod Patwari: Yes. Some part will definitely happen in the third quarter also. So out of 1.4 lakh tonnes, 35,000 is the raw sugar and the rest is refined sugar.

Shailesh Kanani: Out of 1.4 lakh tonnes, 35,000 tonnes is raw sugar.

Pramod Patwari: Yes. And 1.05 lakh tonnes is refined sugar.

Vivek Saraogi: Right. So, it is 25%-75%.

Shailesh Kanani: Okay. But this should be shipped by the financial year end, that is March-2023, right?

Pramod Patwari: To a large extent.

Vivek Saraogi: ~ 90% types.

Shailesh Kanani: Okay. Fair enough. Sir, second on the Distillery front, we have seen a decline on volume front as well on ethanol business. So, can you shed some light on that and also is Maizapur plant operational? Are we planning to run for the next couple of months on grain, given the availability of molasses would be less and inventory is also less? So can you just highlight something on the Distillery front?

Vivek Saraogi: So, distillery gets its feedstock from sugarcane. Sugarcane is less. Molasses is less. Distillery volume will be less. Right?

Shailesh Kanani: Right, sir.

Vivek Saraogi: Yes. So, since sugar business will also begin, our dates are just around the corner and obviously, as and when the distillery starts, we will intimate the exchange. So, you will hear about that together. So, sugar season coinciding with commencing of distillery, probably a very little portion of time could be done on grain to just test out the plant and then you switch to sugar in Maizapur. Thereafter, once the season closes, you can go full on in grain. That is the basic program.

Shailesh Kanani: Okay. And just to get some numbers, Maizapur would be running for say 30, 40 days in this quarter, for the quarter three?

Vivek Saraogi: So, I repeat myself, as and when we commission Maizapur, we have to inform the exchange. So, it's unfair of me to sort of preempt that announcement.

Shailesh Kanani: Sure, sir. Couple of more questions. So, have crushing started in any of our plants as of now?

Vivek Saraogi: For one plant we have started today. We are beginning crushing today.

Shailesh Kanani: And anytime timeline for remaining plants?

Vivek Saraogi: So, progressively from let's say, 10, then 15, then 18, like that, plants will begin and probably everything should begin on 1st December.



- Shailesh Kanani:** Okay. Fair enough. Sir, last question from my side. Sir, what would be the vision from the management side from growth perspective on the long term, not only from, say two years down the line when, when a new capacity is are on stream? And in general, how would you vision Balrampur Chini to be say three years, five years down the line? What is the vision for the company from the management side?
- Vivek Saraogi:** So, we continue to explore related businesses and be in sort of deep rooted and light in terms of our balance sheet for any good opportunity of acquisition. Having said that, we will not only be waiting for acquisition, we would be looking at other projects, should they make commercial sense, and should the Board be convinced, management and the Board, you will hear about it, but right now it's on the drawing board stage. It's a little ahead. Everything is being evaluated internally.
- Shailesh Kanani:** Sir, so if can just extend that one. Actually, I was thinking more from de-risking our business model or the way we have kind of a little bit de-risked enhancing our capacity on the Distillery front. Are we thinking something on similar lines? Be it a little long-term, but are we thinking on a similar line from one segment, say sugar segment?
- Vivek Saraogi:** Currently, with 1,050 KLPD distillation, we will be able to handle 11.5 crore quintal to 12 crore quintal of cane which we hope to get next year itself. In the process, one would keep revisiting and seeing if there is scope for more distilleries, scope for more expansion and therefore, internal de-bottlenecking, if some can be expanded and your cane can go up further and some distillation needs to be added for them. So, today, the distillation business which you are asking for, we already have the distillation capacity in the current year to crush ~11.5 crore quintals against which were expecting ~10.5 crore quintals this year, which is 18% higher than last year's 8.88 crore quintals.
- Moderator:** The next question is from the line of Nishant Sharma from Edelweiss Wealth.
- Nishant Sharma:** Sir, two questions from previous participant's just to reconfirm. On the Distillery side, you said, whenever it will start, we'll first start with the grain, post which, basis the sugar season starts, so we'll switch to sugar. And once the sugar season gets over, we'll again get back to grain. Am I correct on this, sir?
- Vivek Saraogi:** Absolutely correct.
- Nishant Sharma:** Then sir, how we would be switching? I mean, is there a time lag which would be required for switching from grain to sugar or it's absolutely in a day or two, how that transition takes place?
- Vivek Saraogi:** In a day.
- Nishant Sharma:** Okay. So, it's nothing major we will be losing because like for Q3, it's already 45 days are over. And so, I'm just trying to understand that we won't be losing out much in terms of the production days?
- Vivek Saraogi:** Absolutely not. Sugar juice will take predominance over anything else. Having said that, as you understood and your initial remarks in the call were absolutely correct.
- Nishant Sharma:** Okay. Second in terms of the exports. Again, little bit of clarification here, that out of 1.9 lakh tonnes the quota you have got. This is out of the entire quota or this is just for the time, I mean, we may get more allotment or quota going forward?
- Vivek Saraogi:** As and when this 6 million tonnes enhances on the country level, when 6 million goes up, we'll get more quota.



Nishant Sharma: Okay. So, currently, if you can just once again elaborate what is the exact quota that we have got out of the 60 lakh tonnes?

Pramod Patwari: 1.98 lakh tonnes.

Nishant Sharma: Ok. And of that 1.98 lakh tonnes, we have already contracted 1.4 lakh tonnes which we are planning to complete by March 2023?

Vivek Saraogi: Most of it by March.

Nishant Sharma: Okay. So, most of 1.98 lakh tonnes?

Vivek Saraogi: Yes.

Nishant Sharma: Second sir, in terms of the export policy with respect to swapping of quota, so here, this swapping is between mills to mills, or it will happen through Government, and how do you foresee this change from a sector per se, as well as from Company per se?

Vivek Saraogi: I don't understand the relevance of your question. If I may understand a little more what you're trying to ask.

Nishant Sharma: But again, so before asking question, possibly I may require that understanding that if I'm not wrong, in the recent sugar export policy, Government has stated that the mill owners who are unable to do exports or who are not interested in doing exports, so they can submit their quota of export either to Government or they can also swap it with the other company.

Vivek Saraogi: I have understood your question. Don't worry. He can sell his quota. So, there's no problem. Nothing will be impacted.

Nishant Sharma: So, I'm asking more from a perspective that I'm pretty sure that we can sell it. Is there an opportunity that we can have more export sales with that swapping or is there any particular pointers that where we would be thinking whether we should take excessive export or we should be more focused on the domestic side? So just wanting to understand that swap. What could be the factors that would be affecting that swapping? Or considering those swapping?

Pramod Patwari: As far as Balrampur Chini is concerned, we will continue to revisit our strategy on this exports and domestic, which is a fungible policy which the Government has put in place. And at relevant point in time, we will take the decision.

Moderator: The next question is from the line of Richard D'souza from SBI Mutual Fund.

Richard D'souza: So, I just wanted to ask, in the introductory remarks, it was mentioned that cane availability could be about 15% to 20% higher in the current sugar year. So, what gives us this confidence, sir?

Vivek Saraogi: Yes. Avantika, will you take that question.

Avantika Saraogi: Yes. Basically, even though this untimely October rain has scared people, as mentioned by the Chairman, it was quite late in the cycle when the crop had already attained certain maturity. If I may give you a bit more technicalities, at the time of the initial growth, that is the main timeframe, when the weather was very, very conducive. So, we were able to attain many more tillers, which increases the quantity right upfront. After this is just a matter of attaining height. So, it has impacted very marginally. We have been reviewing time and time again the yield is higher per acre. Also, our area under cane is 8% higher. So therefore, we are quite confident on the 15% to 20% increase in cane. I think it should not be a problem.



Richard D'souza: Just to continue on this, madam, last year, we had some issues with the Co0238 seeds and we were planning to replace it with the new variety of seeds or with a different variety of seeds. So, how has the transition fructified?

Avantika Saraogi: So, thank you again for remembering. It's definitely on the up and up. Our planning, our projections has been implemented, we are down by 15% 20% on Co0238 seeds. Slowly and steadily, it is reducing, plus we have gotten much more aware of the disease and how to control it and not bring it till our mill gate. So, that procedure has been airtight. Almost, I would say through these few months we have been at it. I think the recoveries will also be much better because of the better varietal balance also, plus within Co0238 seeds also, it will be cleaner. And there's lesser incidence of issues in terms of each plot. So, less spread, because we were able to control.

Vivek Saraogi: There is another evidence that there is a testing done before the start of season. That is called the handmill analysis. Even that shows recovery to be better. Trend will be much better than last year.

Richard D'souza: Okay. So, can we assume the recovery rate of what was there a couple of years back?

Vivek Saraogi: Yes, one can definitely hope for that.

Moderator: The next question is from the line of Achal Lohade from JM Financial.

Achal Lohade: Sir, if you could clarify on the lower sales volume for distillery in terms of the target what we had indicated, are we on track to achieve that FY23 distillery sales volume target?

Pramod Patwari: Yes, Achal. We are on track as far as FY23 is concerned.

Achal Lohade: Which is around 25.5 crore liter, if I recall that right, sir?

Pramod Patwari: Total alcohol supply will be around 23 crore liters to 24 crore liters.

Achal Lohade: That is for next year you are saying, right?

Pramod Patwari: FY23.

Vivek Saraogi: This year cane availability was lower; hence distillery was low. If cane is lower, molasses is lower, distilling capacity will be lower, in the year gone by. In the year to come, Pramod will give you the figures.

Pramod Patwari: And for FY24, it should be around 35 crore liters.

Achal Lohade: If you could help us with the realization for the second quarter in terms of the ENA and also the quantity? And is there any inventory write down in the distillery segments pertaining to ENA?

Pramod Patwari: There is no inventory write down as far as ENA is concerned and if you want separately the figures for ENA, that I will share that at a later time. I don't have the figure as of now in front of me.

Vivek Saraogi: ENA is insignificant, as of now.

Achal Lohade: Okay. Because if I even look at the production number, excluding B-heavy and C-heavy the balance is substantially large number while in the sales volume, it is substantially lower number. If you could help us understand that in the second quarter?



Vivek Saraogi: Pramod will answer it.

Pramod Patwari: Production during the second quarter of H1 was around 3.87 crore liters. Sales was around 4.11 crore liters.

Achal Lohade: No, sir. What I'm saying is X of B-heavy and C-heavy Ethanol, the production was 3.87 crore litres and the sales was 62 lac BL, if I have got the numbers right.

Pramod Patwari: No, 3.87 crore litres is the total production, including ethanol and non-ethanol and 4.11 crore litres was the total sales including ethanol and non-ethanol.

Achal Lohade: Okay. Got it. And if I may ask, what is the impact of this wage revision you have quantified for the total impact, but on a recurring basis what is the cost impact of wage revision?

Pramod Patwari: Maybe INR1 crore, INR1.5 crore annually.

Achal Lohade: So, that's it. Okay. And if you could also clarify on this molasses quota part, as to what is the quantum now and what is the impact of that in the September quarter with respect to that?

Pramod Patwari: So, as far as molasses policy revisit is concerned, normally, we don't sell molasses, but we are converting that into ENA for discharging the country liquor molasses obligation. So as and when the ENA sell out, the impact is already in the accounts.

Vivek Saraogi: And just to clarify, the current year molasses policy, which has come out, the Country Liquor Policy is a lot friendlier than the previous one.

Achal Lohade: Would it be possible to elaborate a bit on that, sir?

Vivek Saraogi: No. We are under reading. It will require more waiting, but it is seeming to be friendlier. That's all one can say now.

Achal Lohade: Got it. And with respect to the cane crushing, you said 10.5 million tonnes for the current season, sugar season 2023. Would it be possible to give some idea in terms of fiscal year, sir? How it will look like?

Vivek Saraogi: Okay. He's calculating. We do season wise for most.

Pramod Patwari: Maybe around 10 crore quintal in FY23.

Achal Lohade: Okay. 10 crore quintal in FY23.

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

Nitin Awasthi: I would like to understand sir, what were the expectations of the revised rates of ethanol that you had? And how do you perceive the rates given by the Government as of now, you as the Company and you as the representative of the industry? How do you perceive these rates? Do you think it's fair? Do you think there's a revision required?

Vivek Saraogi: So, let's be clear as to what the thinking going around is. There was a special incentive given from June to November. So, that if you supplied more than your contract, if you supply during that period, you would get something higher in terms of INR1.6 per litre. So that was done to incentivise during those months. One cannot expect that to be a part of the rate. Hence, the rate, which has been announced by the Government is a function of increase in FRP as a percentage. Two. I would be hopeful and this is just again, a very personal remark, absolutely personnel, as to



the same incentive might come around during those months in the current year. So, if I'm to see repetition of protocol, if Government does not get its quantity, maybe that incentive comes in the next year. Thirdly, what Pramod has been saying is, even in the interview today, additional capacity now has to come from sacrifice of juice, rather than B-heavy, for which you need new capacity addition. For attracting new capacity and giving the new capacity a decent IRR, you need a price which is higher than this current price of INR 65.5 per litre. Yes, so these are specific remarks to your questions.

- Nitin Awasthi:** Got it, sir. The second question following relating to the first one is that, given that currently we have capacities in molasses, grain and juice, and you do the math better than anybody else, would you still go for the juice route in the current season or the molasses route is more profitable?
- Vivek Saraogi:** Juice.
- Nitin Awasthi:** Even in the current rate, juice is more profitable.
- Vivek Saraogi:** Yes. That investment has already been set up, basis juice in one unit. So, we will go ahead and do juice.
- Moderator:** The next question is from the line of Anupam Goswami from B&K Securities.
- Anupam Goswami:** What is your aim on the distillery mix? Where do we see how much cane diversion happening towards A and how much B and what would be the rest of the grain liters in this? Let's say on FY24 basis 35 crore liters we are targeting.
- Pramod Patwari:** We will answer your question from the sugar season perspective. So, we would be diverting around 6% to 7%.
- Vivek Saraogi:** Maybe 7% up.
- Pramod Patwari:** Maybe 8%. in juice, and 20% for ENA and the rest will go to B-heavy
- Anupam Goswami:** Okay. And the rest would be for grains. So, our endeavor mostly still is lies on B-heavy more, and because of the higher margin till now, sir?
- Vivek Saraogi:** It's all a very related business. So, let us run the juice, it is being done for the first time. Let us see the return, we hope to get a good return. Once we establish everything, the juice capacity is limited. So, one will deal with all these mathematics, the moment we have stabilized and run it. So as someone said, we know our numbers well. Trust us with that.
- Anupam Goswami:** Okay. And sir, do you have on any chance of SAP again being high? Because last year, we had a hefty hike and this year what is the probability?
- Vivek Saraogi:** No, Hoping for no hike.
- Anupam Goswami:** Okay. And sir, last question. We are heading towards, let's say our 6 million tonnes next season diversion. So, where do we see 6 million tonnes and how much liters we can produce as a as an industry out of that? And going beyond, do you see any Government support required for going beyond that?
- Vivek Saraogi:** Let this season pass at 4.5 million tonnes. You are saying, next year 6 million tonnes. It is too early to comment today.
- Moderator:** The next question is from the line of Nikhil Gada from Abakkus Asset Management.



Nikhil Gada: Sir, my first question is regarding the exports bit where you said that it's going to be in the ratio of 25% to 75%. Would it be possible to even share the realization, what we would be garnering over here?

Vivek Saraogi: So, yes, we are still in the process of writing it. Will get back to you. See, we are going to sell refined sugar as a major part of it. 75% refined sugar and 25% is raw which is at a very good realization. We will give you the figure shortly.

Nikhil Gada: Okay sir. Sir, my second question is just when you mentioned that for the distillery breakup, 8% juice, 20% ENA, that means basically C-heavy route, right?

Vivek Saraogi: Yes. That is the liability to be discharged as per the policy for country liquor. If you give molasses, you get a poor realization. You give ENA, you get a better realization.

Nikhil Gada: Understood. Got it. Lastly, any comments on the global prices and how do you see them, because in the last month or so we have seen a very sharp spike in sugar prices globally? And how do you see the situation with the expectations of Brazil and Thailand coming back to normalcy in terms of their production?

Vivek Saraogi: So, it is raining in Brazil and Thailand. So probably the crop might not be as good as one thought. And this price right now is very lucrative. It is gone up and it is a golden chance for Indian exports to be priced in. We feel more than 4 million must have been priced in for exports.

Moderator: The next question is from the line of Dikshit Mittal from LIC Mutual Fund.

Dikshit Mittal: Sir, my question is on expected recovery this season. If you can give some guidance on that?

Vivek Saraogi: So, as we said in the beginning, as Avantika had mentioned, see understand, let me explain to you a little more about the cane crop. So, when the yield is good, the cane is healthier. So, when the cane, each sticky is healthy, recovery, the sucrose inside it is higher. So, we are hoping for a better recovery based on the hand mill analysis and based on the weight of the mother shoot. So, that trend is higher definitely. In our area, we have done the mapping and once we start the crushing, we will get more and more data as we proceed.

Dikshit Mittal: Okay. So, can we expect at least 1% higher recovery or it is too much?

Vivek Saraogi: No. So, somebody commented that can we expect what we got two years back? So that was probably 0.3 or 0.4 higher than this. 0.3 higher than in the current year? My answer was yes. We can definitely expect that.

Moderator: The next question is a follow up from the line of Shailesh Kanani from Centrum Broking.

Shailesh Kanani: Sir, just a small little clarification. When we guided for INR23 crore alcohol sale, that is for FY23. Is that right?

Pramod Patwari: Yes.

Shailesh Kanani: So, that would imply a implied growth of around 65% to 70% in the second half of the year, which I think we are already, I think that is basically balance for four and a half months, right? So, is that achievable? 65% to 70% jump on volume terms?

Pramod Patwari: Yes. This will take full four months of working.



- Shailesh Kanani:** Okay. Because the first half volumes around 9.3 crore litres alcohol sales. So, if you're guiding for '23, so basically, we'll be doing something in the range of 25 crore litres.
- Pramod Patwari:** Let's say 23 is the number we are working on.
- Vivek Saraogi:** Yes. So, when you make juice, you make a hell of a lot more quantity and the tender should be accepted and the dispatch should be much faster. I mean, probably, you know, this is the target if it's here or there by one month, that's the maximum error you can expect.
- Shailesh Kanani:** See, because the reason I asked is, because the operational months are only four, four and a half months. So, if we are off by one month that will be nearly 25%, right. So, it will be something in the range of ~11-12 crore litre in that case.
- Vivek Saraogi:** So, basically our production we know. We are hoping for that dispatch as per the tender filled in. Now if the Government body lifting by 10, 15 days, you are talking balance sheet impact and sensitivity thereof. I cannot guarantee that because I'm not the Government. I'm not the OMC. But seeing the past practice, it looks definitely possible.
- Shailesh Kanani:** Yes. That's what I wanted to know, possibility. 22-23 crore litre is the possibility. So, that is basically a range. I just wanted to clarify on that.
- Moderator:** The next question is a follow up from the line of Achal Lohade from JM Financial.
- Achal Lohade:** Sir, my question was pertaining to the cane development program, what you had mentioned is that, for the current season 10.5 million tonnes, for the next season 11.5 million tonnes to 12 million tonnes. So, the question is a, how much more scope do we have given our catchment area? B, would that also require additional crushing capacity to be set up?
- Avantika Saraogi:** I will take your questions. So, in the east where eight of our factories are located, there is lot of of scope for acreage increase. There's no shortage, really. And we don't need to set up more crushing capacity to handle up to 11.5 million tonnes.
- Achal Lohade:** Beyond that, madam? Is there any plan to set up? Is there a plan to increase the acreage further ahead?
- Avantika Saraogi:** We will revisit the topic.
- Achal Lohade:** Understood. The second question I had with respect to the exports for the industry. In the last season, of the total export 11.2 million tonnes, how much would be white sugar? And how much of it is raw sugar? Would there be any idea on that? And because why I'm asking because refined sugar, the current realization appears to be extremely lucrative. So just wondering, if most of the sugar exports will be of refined grade?
- Pramod Patwari:** Achal, I don't have the figures right now available in front of me, but what I recall out of 11.2 million tonnes, 4 lakh tonnes or 5 lakh tonnes was refined sugar. And we don't have the breakup of raw and white as of now.
- Vivek Saraogi:** So, our refined export which we have tied up, is little above INR 38 per kg and for raw above INR 34 per kg.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments.



Pramod Patwari: Thank you very much. I hope we have been able to answer all your questions satisfactorily. Should you need any further clarification or would you like to know more about the Company, please feel free to contact us. I again, thank you for taking the time to join us on this call. Thank you.

Vivek Saraogi: Thank you, everybody.

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

