ZUARI INDUSTRIES LIMITED

5th Floor, Tower A, Global Business Park, M.G. Road, Sector 26, Gurugram - 122 002, India
Tel: +91 (124) 482 7800, Email: ig.zgl@adventz.com, www.zuariindustries.in

19 August 2025

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

BSE Scrip Code: 500780

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block –G,
Bandra Kurla Complex, Bandra East
Mumbai - 400 051

NSE Symbol: ZUARIIND

Sub: Transcript of Earnings Call conducted on 14 August 2025

Dear Sir/ Madam,

In furtherance of our earlier communication dated 9 August 2025 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith Transcript of the Earnings call conducted on 14 August 2025.

The transcript of Earnings call is also available on the website of the Company at www.zuariindustries.in.

Thanking you,
For Zuari Industries Limited

YADVINDER GOYAL Digitally signed by YADVINDER GOYAL Date: 2025.08.19 14:50:58 +05'30'

Yadvinder Goyal
Company Secretary

Enclosed:- As stated above

"Zuari Industries Limited Q1 FY'26 Earnings Conference Call"

August 14, 2025

MANAGEMENT:	**MR. ATHAR SHAHAB – MANAGING DIRECTOR, ZUARI INDUSTRIES LIMITED** **MR. NISHANT DALAL – CHIEF FINANCIAL OFFICER, ZUARI INDUSTRIES LIMITED** **MR. YADVINDER GOYAL – COMPANY SECRETARY, ZUARI INDUSTRIES LIMITED** **MR. JATIN JAIN – DEPUTY CHIEF FINANCIAL OFFICER, ZUARI INDUSTRIES LIMITED** **MR. AMIT RUNGTA – CHIEF OF STAFF, ZUARI INDUSTRIES LIMITED**
MODERATOR:	**MS. DARSHNI DESAI – INVESTOR RELATIONS, MUFG INTIME.**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Q1 FY26 Earnings Conference Call of Zuari Industries.

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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Darshni Desai from MUFG Intime, Investor Relations. Thank you and over to you ma'am.

Darshni Desai: Thank you. Good afternoon, everyone and I extend a very warm welcome to all participants on Q1 FY26 Earnings Conference Call of Zuari Industries Limited.

Today on this call we have Mr. Athar Shahab -- Managing Director, Mr. Nishant Dalal -- Chief Financial Officer and Company Secretary, Mr. Yadvinder Goyal.

Before we begin this call, I would like to give you a short disclaimer:

This call may contain some forward-looking statements which are completely based upon our beliefs, opinions and expectations as of today. These statements are not guarantees of our future performance and involve unforeseen risks and uncertainties.

With this, I hand over the call to Mr. Athar Shahab Ji. Over to you sir. Thank you.

Athar Shahab: Thank you, Darshni. Good afternoon, everyone. On behalf of Zuari Industries Limited, I warmly welcome all the participants to this call. I am joined today by our CFO – Mr. Nishant Dalal and our Company Secretary – Mr. Yadvinder Goyal and Mr. Amit Rungta, who is our Chief of Staff.

I begin by giving you an overview of our operations and the sugar, power and ethanol division. We concluded our operations on the 29th of March this year. Last year, we had concluded on the 17th of April. But even then, for a financial year, it was the highest ever crushing of sugarcane that we reported.

The sugar sales for the first quarter stood at 3.6 lakh quintals, which is a little lower than 3.8 lakh quintals that we did last year, primarily due to less quota allocation by the government. We made up for it by higher sugar realization, which was up by 4% against Rs.3,864 per quintal that we sold last year for the same quarter, this year, the figure was Rs.4,036 crores.

We have been showing consistent improvement in our distillery capacity utilizations, and the operations this year are likely to continue until the end of September. We had closed the distillery last year in August itself, but we are consistently improving our performance.

Not surprisingly, in the first quarter itself, the ethanol production is up by 12% against 8,956 kilolitres produced last year, we have gone to 10,019 kiloliters this year. The realization is also slightly up because of a different mix of ethanol.

As we speak, major R&M, CAPEX work and sugar unit is in progress. As you know we are all in the off-season and a number of annual maintenance activities are carried out during this period.

Moving on, our biggest subsidiary, Zuari Infraworld is expanding its operations in Hyderabad, Kolkata and now even looking at Bangalore. They have got a mandate of Rs.2,000 crores project, DM mandate for a residential project in Kolkata. This is a very significant development as I apprised you last time. We are pursuing an asset light, investment light model, the development management model, where we manage the entire developmental activities for other developers for a fee, and I am happy to tell you that in the first quarter, we have got a large project in Kolkata as part of the strategy.

Meanwhile, our own Zuari Garden City project Phase-IV is running close to completion, close to 100 plots out of 156 sold and 15 of them were sold in the first quarter itself.

Our flagship project, The St. Regis Dubai project is progressing well ahead of schedule and we are targeting completion by February 2026.

In our engineering and construction company, Simon India, we are constantly strengthening our execution capacity. I am very happy to tell you that this company has landed orders of about Rs.100 crores in the first quarter and it is moving towards a digital-first EPC strategy, in that sense, it is planning to distinguish itself and all aspects of its project execution and project management will be done through the latest digital tools and techniques.

Our ethanol joint venture, Zuari Envien Bioenergy Pvt. Ltd. is 88% complete and is on track for commissioning in Q2. As you are aware, we are setting up a 180-klpd grain-based distillery in Lakhimpur in joint venture with our partners, Envien.

As you are aware, we continue to hold strategic investments in Chambal Fertilizers, Zuari Agrochemicals, Mangalore Chemicals and Fertilizers, Texmaco Rail and Engineering and Texmaco Infrastructure and Holdings. The value of our listed strategic investments as on 30th of June was Rs.5,201 crores.

You have probably taken note of the ongoing merger activities between MCFL and PPL which is in a fairly advanced stage. Once completed, it will create a very potent entity in the fertilizer sector with operations in three coast-based locations namely Paradeep, Mangalore and Goa.

Excluding working capital, the external debt of the company and its subsidiaries was Rs.1,846 crores and there is a clear roadmap in place for significant deleveraging in the next few quarters.

Looking ahead, we expect sugar prices to remain steady, supported by lower stock levels that are being projected by various organizations.

We expect ethanol prices however to increase in view of ongoing demand from the ethanol blending program and the fact that they have not gone up for a significant amount of time. We expect continued momentum in the real estate markets of our interest. We continue to explore opportunities for inorganic expansion in sugar and ethanol.

We are building a strong BD pipeline for DM mandates in real estate and we are trying to embed digital tools in all aspects of our operations across businesses.

So, I think that is all from me for now and I would now invite "Our CFO, Mr. Nishant Dalal to Present the Financial Results" and after that both Nishant and I would be available to take questions. Over to you, Nishant.

Nishant Dalal: Thank you, Mr. Shahab and good afternoon everyone. I will begin by providing a few detailed review of Zuari Industries performance.

The revenue from operations of the company was nearly Rs.210.3 crores, slightly lesser than Rs.214.5 crores in previous year because of, as already explained by Mr. Shahab, lower sales quota which we got for sugar. However, the operating EBITDA for us was nearly Rs.22.4 crores, similar to Rs.23.5 crores which we achieved in the previous year.

The profit before tax and before exceptional item is at nearly Rs.90 lakh for the Q1 FY26 against Rs.1.14 crores in the previous year.

Finance cost of the company, if I talk about, it has come by reduced by nearly Rs.3.92 crores on a year-on-year basis.

On a consolidated performance level, our revenue from operations has improved significantly to Rs.257.5 crores versus Rs.225.7 crores in the previous year.

And the profit before tax and before exceptional item stands at a loss of just Rs.40 lakh as compared to Rs.34.3 crores loss in the Q1 of the previous year.

Then there are a few updates on our subsidiaries and joint ventures. Zuari Infraworld India Limited, there the income has increased to Rs.27.1 crores against Rs.19.7 crores in the Q1 of the previous year.

In Zuari Finserv, our income has grown by almost 20% to Rs.5.9 crores as compared to Rs.5 crores in the previous year and EBITDA has also improved significantly to Rs.2 crores in the Q1 of the current year.

We saw a strong growth in the AUM, nearly 60% growth, primarily, it is coming from the SIPs.

Then we also launched a standardized broking plan and we are building new digital platforms to expand products and strengthen the governance while staying focused on the customers.

Then in Zuari Insurance and Brokers Limited, our income grew to Rs.4.1 crores as compared to Rs.3.2 crores in the previous year and EBITDA has also improved from Rs.2.4 crores to Rs.3.2 crores in the current year. It is driven by strong our Q1 renewals. Then we have also leveraged strong digital tools in our insurance broking space also to enhance the client experience and tap into the group network to boost business and market presence.

In Zuari International Limited, we have posted revenue of nearly Rs.54 crores which is up from Rs.23.8 crores in the previous year, while EBITDA has come down to Rs.6.8 crores as compared to Rs.13.3 crores in the previous year. So, this is the company where we are trying to venture into healthy snacking. And we have introduced five new SnackPure chip variants and we have also entered into quick commerce platforms like Zepto and Swiggy Instamart with the refreshed packaging for Zuari White and Pink Salt also.

So, Simon India Limited, the EPC arm of the company has presented a stupendous performance. So, beyond the order book of Rs.100 crores, the income also of the company has risen sharply to Rs.15.9 crores as compared to Rs.1.5 crores in the previous year and EBITDA improving to Rs.1.4 crores as compared to Rs.0.1 crores only in the previous year.

In Zuari Management Services Limited, we have reported stable income of Rs.8.7 crores in line with our last year. And we are offering HR solutions like recruitment and payroll along with business advisory services also in this company. It is also advancing our digital initiatives including real-time tracking, BI dashboards, predictive analytics and integrated platforms to improve key business operations.

Then our joint venture with oil tanking joint venture with Adani Ventures Private Limited. Zuari Indian oil Adani Ventures Private Limited, the receipts grew 17% year-on-year, and deliveries increased by 6% supported by robust petroleum product demand.

This is all on the part of let us say subsidiaries performance. We are open for any Q&A and we are happy to address the queries. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Saumil Shah fromParas Investments. Please proceed.

Saumil Shah: So, good afternoon. My question is on the debt side. So, we have about Rs.2,500 crores of debt on our books. So, what is the plan on that? And if I were to look at the 'March 26 numbers, how much it will be reduced from Rs.2,500 levels?

Nishant Dalal: Okay, so I will take it up. If we look at the overall debt of the company, so the total debt of the company is somewhere around Rs.2,300 crores as on 30th June, of which our external debt is nearly Rs.1,800 crores, and we have nearly Rs.244 crores of borrowings from our promoters, plus rest is the working capital facility which varies along the year as the utilization changes. Now, we are working to deleverage, because we do understand such a high level of debt will not be sustainable for quite long. So, we are working at certain monetization events. And a few of those our projects, as we have conveyed to you also, our Dubai project is expected to be complete by February '26. So, we expect our returns to come from those projects, which will help in deleveraging the balance sheet and repayment of these debts. Now, exactly how much amount that would be, will be not able to tell right now. Probably as we go along, maybe a quarter down the line, we will get some clarity, and we will be able to give say a better answer or better numbers on that part. Hope it answers your query.

Saumil Shah: So, we are not getting the desired valuation because of the debt only. So, our debt to market cap is very high. As a shareholder it is a request we can reduce the debt as soon as possible .

Nishant Dalal: Yes. We are working on, you can say, that part of our balance sheet, Saumil. And we can assure you that we are very cognizant of it. And this is a topmost priority for the company also to do the deleverage ASAP.

Saumil Shah: See, from the Dubai project, how much revenue we are going to generate, Rs.750-800 crores this year?

Nishant Dalal: See, the Dubai project which we are doing in Dubai, this revenue recognition will happen once the project gets completed. But we can tell you it is a mega project for us. And project is fully sold out with, you can say, our sales realization in excess of almost AED1,300 million there. So, that kind of numbers are there already.

Athar Shahab: Nishant, Let me just intervene at this point in time. The Dubai project will have a top line of AED1.3 billion. So, that is a very significant number. And we will repatriate our share of the profits into India. And that will, as Nishant said, will very much significantly reduce our debt borrowings. Just bear in mind that the aggregate in the external debt, as I mentioned in my speech, it stands at around Rs.1,800-odd crores, and the rest is actually working capital, which goes up and down depending on the sugar season and taken care of by the sugar business. The third part is debt extended by promoter entities, which is about Rs.244-odd crores. So, the external debt is really Rs.1,800-odd crores. This will stand very significantly reduced when we repatriate the funds from Dubai. And the exact numbers I think will become clearer as we progress towards that deadline. As I mentioned, there is a very clear roadmap to do deleveraging. I also mentioned to you, just the value of liquid securities that we hold is in excess of Rs.5,200 crores. So, I think investors should take heart from the fact that the company is doing very well as far as the operations are concerned. All the subsidiaries are moving forward in their growth plans and posting good results. The subsidiaries have done well and the investments have also done well. And there is a very clear path for deleveraging now, clearly visible in terms of timelines. Quantum, of course, hopefully by the time we connect with you next quarter, we should be able to give you better visibility.

Saumil Shah: That is very comforting to hear. In Simon India, we have booked orders worth Rs.100 crores. So, can you give some details what are these orders and by when this will be executed?

Athar Shahab: So, these are orders coming in from Paradeep Phosphates Limited. There the company is building the fifth evaporator project. And then they have been given a contract to build a Sulphur melting system, their TG4 project and series of projects. I think the good news is that there is growing realization that this company can execute larger projects. It can deliver. Most of these projects have a short timeframe for execution. So, I expect everything most of it to be done by the next March '27 itself. So, that is the kind of time frame. They are not very long term projects. And I expect, I think, going forward, the pipeline to grow stronger for Simon India, both from internal clients as well as external clients.

Saumil Shah: Okay. So, on our bioethanol plant, I mean, it will be operational by the second quarter, I mean, this quarter, is it correct?

Athar Shahab: Yes, yes. We are racing ahead towards the last leg of completion activities and I think we should be ready and done in the next quarter.

Saumil Shah: Okay. So, what sort of revenues can we expect in the first year of operations? And by when do you think 180 KLPD will run at full capacity?

Athar Shahab: Nishant, can you can you answer this question, please?

Nishant Dalal: Yes. So, see, as soon as when we expect you can say commercial operations should start as soon as let us say start of Q3, then it will take a quarter to two quarter of stabilized operations. So, full capacity utilization should happen from, let us say, first April of '26. So, Q1 of next financial year should start, you can say, plant should be operating at full load and everything.

Saumil Shah: Okay. And by when do you think this 180 KLPD will run at full capacity?

Nishant Dalal: I think this is what I exactly told you just now. Commercial operations should start from Q3, and maybe it will take a quarter to two quarter of stabilized operations. So, 100% capacity utilization, it may start even from Q4 also, that depends on, but we are very confident at least next financial year the plant will operate at full capacity.

Saumil Shah: Okay. That is it. That is it from my side. Thank you and all the best.

Athar Shahab: Thank you.

Moderator: We take the next question from the line of Karan Rajpal, an investor. Please proceed.

Karan Rajpal: Thank you. Thank you for your answers on the Dubai project. I had two questions on that. One is, we said the value is AED1.3 billion. I am assuming there is a portion of that that accrues to Zuari Industries. So, as part of the development agreement, what is the actual revenue that we will accrue?

Athar Shahab: See, for reasons of confidentiality, we are not able to disclose our profit share, Karan. But I have shared with you the top line, which is literally in excess of AED1.3 billion. Suffice it to say that we are expecting a very decent share of profit, which we will repatriate. And as I said, I think be patient, I think by the next quarterly call maybe we will be able to give a very clear number as to what that figure is.

Karan Rajpal: Sir, we have been invested with the company for almost a decade now. So, I think, we have been very, very patient. You will appreciate why we are a little anxious with these things. But fair enough. Another quarter after a decade is fine. The second question I had was on the SnackPure segment. Now, one of the main kind of concerns that has been there with the value unlocking of the company is the absolutely varied kind of businesses that we have had over the years, and one of the mandates the current management came in with and the commentary that we got was, we will essentially focus on things that make sense to the business. Zuari Industries as a company and the overall Adventz group has not really had a lot of large consumer brands that it has been able to build over the last many years. Even as our other B2B or commodity businesses, we have shown extreme competence. Is there a specific reason why we are picking up this segment where I frankly do not see a right to win and putting both management resources as well as budgets into this, I would like to hear any thoughts that the team can share?

Athar Shahab: First of all, Karan, let me thank you for staying invested with us and for your patience and confidence in the company and the management. As you can see, I think structurally, it is a company that operates sugar, power and ethanol division, it has a whole bunch of subsidiaries which are primarily into real estate, engineering and construction, stock broking, management services, etc., and there is an ethanol joint venture that has come up, we also operate oil tankage facility at Goa in joint venture. And apart from it, we hold very significant investments in group companies which have shown remarkable performance. So, all this has improved quite a lot in the last couple of years if you have been tracking the performance of the company. First of all, let me give you some more color on the Dubai project. I think we have been apprising investors repeatedly over the last couple of years about the process that we are making. And physically, the structure is complete, the finishing works are going on, we are now planning for handovers, and the numbers that I told you about sales is on the basis of the last units sold recently. So, there are real numbers, there is a real project and there is real visibility on what is coming in from that project. As I mentioned in previous calls and my interaction with investors, we put the real estate business on the path of asset light, investment light model. We got a project in Hyderabad, we got a project in Kolkata. We are in discussions with several people. And we hope that we will build a robust DM pipeline, which is Development Management pipeline. As regards SnackPure, I think it is just a small experiment at this point in time. We are already present as a retailer of sugar, particularly in North India. Zuari Sugar is a household name in North India. And every hotel that you go, you will probably find Zuari sugar pouches. And I think at this point in time, SnackPure is just riding on the back of the retail presence. And there is no, I would say, big corporate structure created or large amount of capital allocated, etc., What we are trying to see is that on the back of the distribution network that is already in place, is there something that can be done. And I think, as I mentioned earlier, and I repeat, we will do these experiments, and if we find that no traction is being built, we will, of course, cull these kind of initiatives. But for the time being, I think we will pursue for the next couple of quarters, and we will keep reporting to you how we are doing.

Karan Rajpal: Fair enough. In one of the previous investor presentations, there was a map of the various locations where we have real estate projects that are ongoing. If I remember correctly, one of those locations was in Delhi. It was just notated by a number eight or something. And we have not really seen any updates on what rights we have towards any property that is in Delhi and what is the monetizable value. I just want to be sure that I remember correctly. And because that is not there in the current investor presentation. Any thoughts now?

Athar Shahab: Karan, your memory is absolutely fantastic. That parcel of land actually is owned by our associate company, Texmaco Infrastructure Holdings Limited. How much do we hold, Jatin, in Texmaco Infrastructure?

Jatin Jain: 30%.

Athar Shahab: We hold 30% in Texmaco Infrastructure Holdings Limited. That company has ownership of valuable land parcels in Delhi. And the one that you saw there was about 9.8 acres of land in the heart of Delhi in Kamla Nagar. And I am happy to share with you that on the 30th of June this year, that company signed a joint development agreement with a consortium comprising Hines India Real Estate and Conscient Infrastructure for developing a fantastic ultra-premium luxury property in Delhi. And the company actually made announcements. It is all there in the public domain. Being a listed entity, they also made announcements to the public at large through the exchanges. And that project is now progressing well. And my understanding is that they have been given time until 31st of March next year to complete all the formalities and the approvals and do the launch after receiving approvals from RERA. So, that is very much on track and I think that company will create a fantastic project in the heart of Delhi. And being a shareholder, 30%, of course, the benefits would accrue to Zuari Industries as well.

Karan Rajpal: Wonderful, sir. My last question and then I will give a chance to the others. So, we have been working towards consolidating how the group is structured, since that is one of the big challenges for a value unlock. Over the past couple of years, we have done the work on Paradeep and Mangalore. And after the Paradeep IPO, the Zuari agro plant in Goa was sold to Paradeep. And now, very recently, we have also sold the Mahad plant from Zuari Agro to Mangalore. After this, given that most of the standalone operations of Zuari Agro, perhaps leaving Zuari Farm are out, could we look at a possibility where there is some sort of a reverse merger or some amalgamation, because from here on, Zuari Agro will become majorly a holding company of our interest in Paradeep?

Athar Shahab: See, I think Karan, first of all, your observation is absolutely correct. And you are one of those astute investors who is keeping a track of the constant reorganization and restructuring that the company is doing to streamline its operations. All that I have to tell you is that we are very cognizant of the need to simplify structures and unlock value. And I think at this stage, I cannot provide any updates. We are all watching and waiting very eagerly for the MCFL-PPL merger to be concluded, which is in fairly advanced stage. And I think that will really consolidate our fertilizer investments in one location. But, I think you should continue to interact with us through this forum and otherwise, when we meet investors. And rest assured, we are constantly looking at our group structures and trying to simplify things.

Karan Rajpal: Thank you so much for all your answers. All the best to all of you. Thank you.

Athar Shahab: Thank you, Karan.

Moderator: The next question is from the line of Adria Pal, an investor. Please proceed.

Adria Pal: Many of the listed holdings and the real estate that we, the shareholders of Zuari Industries own is held within subsidiaries. So, I want to know what is the tax consequence of profits generated by the subsidiaries, whether it is capital gains to Zuari?

Athar Shahab: Can you repeat the question? And Nishant, can you answer this, please?

Adria Pal: So, for example, Texmaco Infrastructure, 21% is held by Zuari Industries, but 10% is held by our subsidiary, which is Zuari International. Now, I want to know if Texmaco Infrastructure Holdings is sold, then what would be the tax consequence to the shareholders of Zuari Industries? Or rather, simpler question is, will there be double taxation since it is held by our subsidiary?

Nishant Dalal: I mean, it is a very hypothetical question. What will be the tax implication of the sale of Texmaxo Holdings in the hands of Zuari Industries Limited? That is what you are asking?

Adria Pal: Yes. If, let us say, Zuari International -

Athar Shahab: Nishant, I do not think any such thing is contemplated at all.

Nishant Dalal: That is what I am saying. It is a pretty hypothetical question.

Athar Shahab: I do not think we can answer that question at all, because there is nothing contemplated.

Adria Pal: Mr. Shahab, whether or not it is contemplated is not the reason I am asking the question, because Zuari Industries is a holding company, and therefore, an investor has to value its holdings net of all applicable taxes. So, I want to know whether it will be a double taxation event or a single taxation event? Please entertain my hypothesis.

Jatin Jain: Hi, Jatin this side. Just to clear out, it will be a single taxation depending on the long-term capital losses if any Zuari Industries is carrying on. Otherwise, if there are no capital losses, we will be paying the normal long-term capital gain at the rate of 12% after the benefit of grandfathering. Okay?

Adria Pal: Okay. Thank you very much. My second question, does Zuari Industries bear any contingent liabilities for the capital light project management businesses you have taken up in Hyderabad and Kolkata?

Nishant Dalal: No, we are not taking any contingent liability for these asset light models for Zuari Infraworld projects.

Adria Pal: Understood. Thank you very much.

Moderator: We take the next question from the line of Yathik Mehta from VS Associates. Please go ahead.

Yathik Mehta: Thank you for the opportunity. Your plan to scale ethanol production to 1,000 KLPD is significant. So, could you please share the expected timeline, CAPEX involved, and whether this will be funded internally or through external sources?

Athar Shahab: Nishant, can you take this?

Nishant Dalal: Yes, I will take it, sir. So, we have set up a platform company called Zuari Envien Bioenergy Private Limited, under which we are setting up our bioethanol fresh ventures, and the first project is 180 KLPD distillery, which is right now we are setting up. And our idea is to scale this business, this platform to 1,000 KLPD. Now, initially, our idea was to scale this business within next four to five years. However, a lot of you can say investment in this space are dependent on the guidelines or the policy framework how it is evolving as well as the macroeconomic environment of the country. So, today, if we talk about this is the only project which is under execution as of now. We are evaluating the new opportunities where we can take up the route through the organic manner. And a few options are in our hand. But when we are talking on the policy regulatory space, as you probably know that grain-based ethanol prices have been revised since last at least two years. They are at the same level while the cost of raw material procurement prices are going up. So, you can say as a result of which taking a long-term view as of now on the fresh investment, we are still in the evaluation mode. So, we have not decided exactly when the next project will be taken up. We are awaiting, you can say more clarity from the government on the prices which they are setting up for the ethanol-based or grain-based distilleries and a long term view from the policy aspect perspective. That will decide you can see the next timelines for our future projects.

Yathik Mehta: Okay. My second question is that you mentioned there is no land sale due to unfavorable macroeconomic environment. So, what is the outlook for FY26 target for the land sales?

Nishant Dalal: In this FY26 as of today, we are still only in the discussion mode and we can say we believe probably no land sales in FY26.

Yathik Mehta: Okay. So, also, how many total phases does Zuari Rain Forest have right now?

Nishant Dalal: How many?

Yathik Mehta: Total phases does Zuari Rain Forest have?

Nishant Dalal: So, Phase-I is already done, Phase-II is under evaluation.

Yathik Mehta: Okay. Are there any projects lined up after the completion of these projects?

Nishant Dalal: Not exactly.

Yathik Mehta: Okay. Okay. Thank you.

Moderator: The next question is from the line of Vivek Gupta from Star Investment. Please proceed.

Vivek Gupta: So, my first question is like what is the anticipated share of supply under the national ethanol blending target over the next two, three years? And with Rs.5,200 crores in quoted investments, what is the threshold or the trigger point for you to liquidate holdings for funding growth projects?

Nishant Dalal: See, the way we see India is pretty much you can say on path of achieving the 20% mandate, which was for this '25 season. So, we have achieved that part. And the current capacities which you can say developing on the grain side, because sugar, whatever we could do, I think country has already achieved on the sugar part. The next wave of growth has to come from the grain-based distilleries. And with the government getting to achieve 30% in the next stage by 2030, so, we see tremendous growth opportunities on the grain-based side for the ethanol space. Now, a lot of this is as I just explained in the previous query, a lot of this will be dependent on clear policy guidelines more so on the pricing, then how the government is probably taking care of the supply chain aspect as well as making you can say availability of the feedstocks at remunerative prices. So, certain those policy guidelines clarity from the government will decide you can say the next achievement of maybe 30% of the blending, a lot will be dependent on that. By when it will happen? It is very difficult. I think I will not be able to comment on that.

Vivek Gupta: Okay, okay. So, I just wanted to know, how do you plan to optimize sugar levels given the quoted based allocation system? And also, do you expect any relaxation from the government in the upcoming quarters?

Nishant Dalal: In my opinion, see, the current quota system of the government that has been able to manage you can say considerable price levels in the country, as well as you can say it has been able to support the industry also, by avoiding a glut of the sugar when the season is there, and then you can say then shortage in the off season period, etc., And I think with the diversion of the sugar, which has now been allowed by the government towards the ethanol, so, the integrated sugar units, they will be pretty much you can say able to make the best use of the controlled mechanism of quota sales as well as diversion towards ethanol and they will be able to keep their revenue as well as their profitability in a better shape as compared to independent units. So, on the government side if we talk about given the current environment of the policy, we do not foresee any change in the government policy of doing away with the quota system. We have not heard of anything. The same system is expected to continue.

Vivek Gupta: Okay. So, what I see is there is growing criticism and concern being raised on social media platforms, which is regarding the harmful effect of ethanol blended petrol on existing car models. So, there was also clarification from the government. If that concern escalates and the blending program is rolled out slower than anticipated, how do you see that will affect the company?

Athar Shahab: We provide a very modest level of supplies to the government. I think at 125 KLPD that we are supplying or even the 180 KLPD that we will do, that is a very small tiny fraction of the whole thing. I think broadly the plan is on track. The goals of the government are clear. There are clear savings that have been achieved by the government, both in terms of cutting the GHG emissions as well as saving on FOREX outgo and increasing farmer incomes. If you see the whole thing is resting on three very important pillars. There is a need to communicate with the customers better. And I think I am sure the kind of feedback that is coming in from people at large will help in generating a better environment of acceptability. And I see no reason why we should get concerned about the long-term prospects of our ethanol business.

Vivek Gupta: Yes. Okay. Got it. Thank you, sir.

Athar Shahab: Thank you.

Moderator: The next question is from the line of Darshil Jain from RJ Investment. Please proceed.

Darshil Jain: Thank you for taking my question, sir. I have a couple of questions. Firstly, the plan to scale ethanol production to 1,000 KLPD is significant. So, could you share the expected timelines and CAPEX involved and whether this will be funded internally or through any external sources?

Nishant Dalal: I think I just addressed this query in the -

Athar Shahab: I think Nishant just addressed the same question from another participant. Let me just reiterate. We have a stated plan of going up to 1,000 KLPD in our joint venture, Zuari Envien Bioenergy Private Limited. As part of that plan, we are setting up 180 KLPD facility. The idea was that we will generate infact the timeframe the first question, timeframe is five years. The second thing you spoke about investment. All of it, whatever we will need will come from internal generation from various other businesses. But the key point that Nishant mentioned is very important that there are things to change in the regulatory environment. First of all, the feedstock prices have significantly risen in the last couple of years. And there is no commensurate increase in the price of grain-based ethanol. And I think from every forum, the manufacturers are requesting the government to take a look and make the prices realistic. And I think we are very cognizant of that fact. So, any subsequent commitment of investments into this will depend on these couple of triggers. So, when Nishant said that we are evaluating, he says, of course, we have a number of opportunities lined up. But the real investment decisions will come when we see some of these triggers coming in from the government side.

Darshil Jain: Understood. Secondly, with the St. Regis Dubai now 79% complete and fully sold, can you elaborate on the specific type of new premium project being evaluated in Dubai post-completion?

Athar Shahab: Right now, we are only looking at preliminary set of opportunities. But there is nothing concrete that I can talk about. Our focus in the last few quarters has been in India, in the markets in Bangalore, Hyderabad and Kolkata, where we have made some progress. As and when we do something in Dubai, we will let you know.

Darshil Jain: Understood, sir. And we can see that DM revenues in Zuari Infraworld rose sharply on year-on-year basis. What is your target pipeline size mainly in Bangalore, Hyderabad, Kolkata for FY26? And how much of that is already contracted, if you could throw some light on that?

Athar Shahab: Yes, I think the Hyderabad project is worth about Rs.2,000 crores. Likewise, the Kolkata project is also about Rs.2,000 crores. So, Rs.4,000 crores worth of gross development value. And there is a percentage of DM fee that we will get. So, there is a percentage of the top line that we get. And someone asked a question about contingent liabilities. There are none. We only provide fee-based services to our clients.

Darshil Jain: Understood, sir. And lastly, with cane due fully cleared by May, how is the cost of raw material procurement trending this season compared to the last year?

Athar Shahab: Nishant, can you take this, please?

Nishant Dalal: Yes. So, your query is on -?

Athar Shahab: Can you repeat the question, please?

Darshil Jain: Actually, it was about the cane due which were fully cleared by May. So, how is the cost of raw material procurement trending this season when we compare to the last year?

Nishant Dalal: We have not done any procurement ourselves. You are talking about cane procurement? Cane procurement cost has remained almost same. There is, you can say, fewer change which comes only primarily on account of cane development activities which the company takes. Otherwise, cane prices are fixed by the state government, and they have remained at same level of Rs.370 per quintal for last year as well as for current season.

Darshil Jain: Understood, sir. Thank you. That is all from my side and thank you for clarifying the first question. I will join the queue later. Thank you and all the best for the further quarter.

Moderator: The next question is from the line of Varun Mishra from SK Associates. Please proceed.

Varun Mishra: Hi! I had a couple of questions. So, like, sir, what is the outlook on the power generation days like in the upcoming quarter, because in the PPT, it mentions the lower operation days like which caused the lower sales output overall, so, what is your outlook on that?

Nishant Dalal: We are discussing about the lower power export. See, in sugar, we run the integrated operations and power is a kind of by-product. So, co-generation happens, and we export the surplus power. Since my sugar operations in current sugar season, which is in '24-25, it ended on 29th of March. So, my exportable power also, again, was not available that much as compared to previous year when the sugar mill was running till 17th of April. So, we could generate more power also and export the power in the Q1 of previous year. As compared to this year, it has been much lesser. So, that is the only reason it is all driven by, you can say, sugar season period how many days we are operating.

Varun Mishra: All right, sir. Given the zero-cane crushing and subsequently no sugar production for this quarter, as you mentioned, so, what is the pending stock of sugar which we have as of now and with the crushing operations coming in Q2, if you could quantify that?

Nishant Dalal: So, we have enough sugar stock available and based on the sugar stock, the government allocates the quota also. So, we sell it and the next sugar season should start you can say, probably by towards end of October for us. So, again the sugar production will start. You want to know exact sugar stock as on 30th June?

Varun Mishra: Yes, sir. That would be great.

Jatin Jain: I tell you that the stock as on 30th June is around 6 lakh quintals.

Varun Mishra: Okay. All right. 6 lakh quintals. Can you please provide some color on higher EBITDA losses in the real estate division? Were there any one-off expenses or what is it like, is the spillover from the previous quarter, anything like that?

Jatin Jain: Higher EBITDA losses in -

Varun Mishra: Sir, in the real estate division.

Jatin Jain: Higher EBITDA losses is, if I tell you, it is basically because of the reason that they are having exchange losses.

Varun Mishra: In terms of currency exchange losses?

Jatin Jain: Exchange losses. They have some ICDs that they have given to their group companies, foreign companies. So, they have recognized some exchange losses resulting in their EBITDA is down.

However, on an operational front, they are on a higher side because they have recognized DMPs in this current quarter.

Varun Mishra: All right. So, this is just a temporary because of the exchange.

Athar Shahab: This is just a temporary. The investment that has been made into the Dubai entities is in the form of debt and that investment is denominated in foreign currency. So, as and when the currency changes the value, you will see some impact coming in the P&L. That is what he is referring to. In the past, I am sure we have shown significant gains as well on that item.

Varun Mishra: All right. That is all from my end. Thank you and all the best. Thank you.

Moderator: Ladies and gentlemen, due to time constraints, we take that as the last question and would now like to hand the conference over to the management for closing comments.

Nishant Dalal: Okay. Thank you everyone for joining this call. We appreciate your participation. If you have any questions, please feel free to reach out to us and our investor relations advisor, MUFG IR. Thank you, everyone. Thank you.

Athar Shahab: I would like to add that we thank all the investors and analysts who joined this call today and I assure you that we will continue to engage you every quarter and try to improve both the quantum and the quality of information that is shared with you. Thank you very much for being with us today.

Moderator: Thank you. On behalf of Zuari Industries, that concludes this conference. Thank you for joining us and you may now disconnect your lines.