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National Stock Exchange of India Ltd,
Exchange Plaza, C-1, Block-G
Bandra-Kurla Complex, Bandra (E)
Mumbai- 400 051
NSE Symbol: ZUARIIND

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
BSE Scrip Code: 500780

Sub: Transcript of Earnings Call conducted on 14 November 2025

Ref:- Disclosure pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Dear Sir/ Madam,

In continuation of our earlier letters dated 7 November 2025 and 14 November 2025 related to Earnings Call 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 November 2025.

This is for your information and record.

Thanking you,
For Zuari Industries Limited

Yadvinder Goyal
Company Secretary

Encl: As stated above



“Zuari Industries Limited Q2 FY-26 Earnings Conference Call”

November 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

MODERATORS: **MS. DARSHNI DESAI – MUFG INTIME**

Moderator: Ladies and gentlemen, good day and welcome to Q2 FY26 earnings conference call of Zuari Industries Limited.

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, their investor relations. Thank you and over to you ma'am.

Darshni Desai: Thank you. Good morning, everyone and I extend a very warm welcome to all participants on Q2 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 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 handover the call to Athar Shahab ji. Over to you sir. Thank you.

Athar Shahab: Thank you, Darshni. Good morning, everyone. On behalf of Zuari Industries Limited, I would like to extend a warm welcome to all the participants who have joined our call during which we are going to discuss the results of our 2nd Quarter for the current financial year. I am joined today by Mr. Nishant Dalal – our CFO, Mr. Yadvinder Goyal – our Company Secretary and Mr. Jatin Jain – our Deputy CFO.

I begin by giving you the good news that we have commenced crushing of sugarcane at our sugar factory in Lakhimpur, Uttar Pradesh on 26th of October 2025, which is earliest in the history of the company and right now the crushing is in full swing at the factory. In the quarter under consideration or under review, we sold sugar of 3.7 lakh quintal which was lesser than what we sold last year for the same period, primarily due to the lower allocation of quota by the government. However, it was offset to an extent by higher realisation in sugar prices and Nishant will share the numbers with you.

Our ethanol production was very significantly higher. Ladies and gentlemen, we have been trying to improve the capacity utilisation of our distillery and I am very happy to tell you that we achieved 44% higher ethanol production in the 2nd Quarter. In doing so, we achieved the

highest number of distillery operating days, which is 311 days of distillery operation, our previous best was 262 days in the season. Our ethanol realisation was also up modestly because of the different mix of ethanol that we sold.

On the subsidiaries and JVs front, our real estate subsidiary Zuari Infra World continues to strengthen its position in the real estate sector. As I have been mentioning in previous calls, they are pursuing the DM model for growth and now they have achieved a gross development value of about INR 2,900 crores. Their Phase 4 project in Mysore, Zuari Garden City is 95% complete. Their flagship St. Regis Dubai project is now nearing completion. The project was 86% complete with the final completion expected by the end of February and the handover to commence by March of next calendar year.

Simon India, which is our engineering and construction company, has got projects worth INR 144 crores that it is currently executing. We are trying to convert Simon India into a digital-first EPC company. Our strong focus is on acquiring strong deep technical expertise in areas of our interest, particularly fertilizers and chemicals, as also seeing how we can enable artificial intelligence in various aspects of its operations. ZEBPL, which is our joint venture with Envien of Europe and we are setting up a 180 klpd distillery in Uttar Pradesh, as you are aware, is now practically complete and we expect to commission it by the end of this month. As you are aware, this is an Apex company, so we continue to maintain strategic investments across our core portfolio. So, our investments in Chambal Fertilizers, Zuari Agrochemicals, Texmaco Rail & Engineering and Texmaco Infrastructure & Holdings continue to hold steady in our portfolio. The value of these strategic investments as on 30th of September was INR 4,680 crores.

As mentioned in previous calls, we continue to seek ways of reducing our external debt and reduce our cost of debt. There is a clear strategy in place to achieve debt reduction in the next few quarters. The Dubai project, as I mentioned earlier, is projected to contribute significant amount to these deleveraging efforts with repatriation of profits coming from the first quarter of the next financial year.

Looking ahead, the state government of Uttar Pradesh has revised the sugarcane price for the 2025-2026 season and increased it to INR 400 per quintal for the early variety. This will impact the realization, but it will also be offset by somewhat better realizations that we expect on the sugarcane front.

We expect very good momentum on the real estate side, and we remain strong in our target markets. We are building a strong pipeline of DM projects to accelerate growth in our real estate business. We are also evaluating inorganic opportunities to complement organic growth.

I now invite Nishant – our CFO, to take you through the financial results for the 2nd Quarter and after that of course we will have the Q&A. Over to you Nishant.

Nishant Dalal:

Thank you sir. Good afternoon, everyone.

Now I will provide a detailed review of Zuari Industries financial performance, we have also uploaded our Investor Presentation on the website. Hope the participants had a chance to go through the same.

On a standalone performance of Zuari Industries Limited:

The revenue from operations for the quarter been at INR 204.5 crores versus INR 207.4 crores in the previous year and on a half yearly basis it is at INR 414.8 crores as compared to INR 421.9 crores in previous year. Slight drops are because we could not sell as much sugar as we sold in the previous year. However, on the operating EBITDA performance, if we talk about our performance is significantly improved both quarterly as well as half yearly basis. So, for the quarter our EBITDA has improved from INR 3.5 crores to INR 8.9 crores on a quarterly basis and from INR 27 crores to INR 31.3 crores on a half yearly basis. We are consistently lowering our finance cost and for the quarter the reduction of INR 3.01 crores in the finance cost while for the half year also the finance costs are reduced by nearly INR 6 crores.

So, on our PBT before our exceptional item there is a significant jump which is an increase from INR 0.4 crores in previous quarter to INR 18.6 crores in current year same quarter. Similarly, on a half yearly basis while in previous year the PBT for the half year before exceptional item was INR 1.5 crores it is INR 19.5 crores for the current year. And on a profit after tax basis, we have reduced our loss from INR 23.9 crores in previous quarter to a profit of INR 3.5 crores in the current quarter. On a half yearly basis also, the losses are reduced from my loss of nearly INR 39 crores to hardly INR 0.76 crores in the current half year.

On a consolidated performance:

The major part of our consolidated performance actually is driven from our sugar business only which is the firm's part of our standalone performance. So, for the consolidated quarter, our revenue has increased from INR 237.3 crores in previous year to INR 241.2 crores in the current year. And on a half yearly basis also the revenue is reduced from INR 463 crores in previous half year to INR 498.6 crores in current half year. Similarly, at the profit level before exceptional item there is a considerable increase which is coming in the PBT which is an increase from INR 4.8 crores in previous quarter to INR 174.02 crores in the current quarter. A larger part of this is coming from our consolidation of Zuari Agro which is an associate of the company and Zuari Agro has done a transaction which has consummated which is the merger of MCFL and PPL and the accounting treatment for that in Zuari Agro book has resulted into their profit. Our share of that profit is coming into this.

Now there are few updates on our subsidiaries and joint ventures:

So, for Zuari Infra World if we talk about their income has increased from INR 20.9 crores to INR 51.3 crores in the current year. A large part of this is coming from their foreign exchange gains. On Zuari Finserv the income is slight reduced which was INR 5.4 crores in the previous

year for Q2. It is INR 4.4 crores for the current year Q2. Slight decrease is there because of the way stock markets have moved on. On the AUM management side there is a strong growth. So previous year the AUM of our financial product distribution we were having an AUM of INR 377.4 crores which has increased to INR 560.25 crores in the current year and this gain is driven by momentum in SIPs. Then Zuari Finserv has also launched its new website and we are building new digital platforms to expand products and strengthen our governance while staying focused on the customers.

Then we have Zuari Insurance & Brokers Limited whose income has grown from INR 2.4 crores in previous year Q2 to INR 3.9 crores in this year and EBITDA has also increased from INR 1.5 crores to INR 2.9 crores in the current quarter. Zuari Insurance continues to focus on customer acquisition from external clients and sustaining consistent renewals by effectively utilising the group's vendor network.

Zuari International; they have posted a revenue of INR 45.8 crores and they have also reduced their losses substantially as compared to previous quarter of the previous year by nearly INR 58.9 crores. Now Simon India Limited has posted a handsome increase in their income from INR 2.2 crores in last year Q2 to INR 19.4 crores and large part of this is driven from the new projects which Simon India is doing. Their EBITDA has also improved from INR 0.2 crores to INR 0.8 crores.

Zuari Management Services Limited has reported a stable income of INR 9.5 crores in line with last year and ZMSL is advancing its digital initiatives including real-time tracking, BI dashboards, predictive analytics and integrated platforms to improve key business operations.

Then on the joint venture side our oil tanking venture which is Zuari Indian Oil Adani Ventures Private Limited. Their income has grown from INR 4.9 crores to INR 7.59 crores which is up an increase of nearly 61.2%. I think the rest many other financial parameters are there in the investor presentation. Now we are open for any Q&A that investors may have. That's all from my side. Thank you.

Athar Shahab:

Before we invite the questions, some important figures that I would like to share with the participants is that our sugar realization was up 5.7% in the 2nd Quarter on a year-on-year basis and 5.1% on a half-yearly basis. Ethanol sales was up 7.6% for the quarter and 3.8% on a half-yearly basis. As I mentioned earlier, the ethanol production was up 44% on a quarterly basis and 24.8% on a half-yearly basis. As Nishant mentioned, we have been lowering our cost of borrowings and this cost of borrowings lowering has resulted in a cost saving in the quarter of about INR 3 crores and INR 6.3 crores for the half-year period.

Some more data points for you people is that, our power production actually on a half-yearly basis has been significantly higher, Nishant, from 127.7 lakh units to 263 lakh units. That needs to be highlighted. The sugar realization, which was INR 3,815 a quintal last year for the same quarter was INR 4033 per quintal for the current financial year. I think these are some of the

important data points that we wanted to highlight. In terms of revenues, EBITDA, PBT, you have already highlighted, and I think investors hopefully have taken a look at both the quarterly and the yearly growth. So, over to you, Darshni and we are happy to take questions now.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Saumil Shah from Paras Investments. Please go ahead.

Saumil Shah: Hi, team. Good morning. I wanted your views on Simon India. So, basically, Paradeep Phosphates is expanding in a big way. So, is Simon India getting any share in that expansion? And where do we see Simon India in the next one or two years? So, what could be the revenue potential?

Athar Shahab: So, Simon India is an engineering and construction company that focuses on fertilizers and chemicals. As you know, Advent Group has a large business in fertilizers and chemicals. So, Simon India has the possibility of working both on the projects within the group as well as outside. Right now, primarily, Simon India is working on projects of Paradeep Phosphates Limited. They have already set up an alkali scrubber. They are now building the fifth evaporator. They are designing and building a sulphur melting system. And they are doing this turbo generator project in PPL. Going forward, I expect a healthy pipeline, which will be in line with the CAPEX plans of PPL. But at this point in time, I would not like to say how much would that be. I would say that it's an evolving situation. It has grown very rapidly. I must tell you that right now, we are only doing EPC projects within the group companies and doing EPCM and consultancy type of work for external clients. So, the revenue potential for EPCM and in consultancy type of assignments will not be very significant. So, I think with every quarter, we will keep on telling you how it's evolving. Right now, there are several proposals in the pipeline. And I think you should continue to be with us in these calls to get updates.

Saumil Shah: I wanted to know the status of our group company, Texmaco Infra's Kamla Nagar project. So, by when we can expect the RERA approvals? And can the project start generating revenue in the next couple of quarters?

Athar Shahab: I think for that, you should attend whatever opportunities there in Texmaco Infra. But since we are a 30% shareholder in Zuari Industries, I can tell you that what we know is that the project is right now going through the approval stage. And expects to get all the final approvals by the first quarter of the next financial year. And obviously, like all real estate projects, it should be ready for launch around that time.

Saumil Shah: Because since they are not doing any calls and we hold 30%, so the question was. As per the reports, we have that 44% revenue sharing in that project, is that correct?

Athar Shahab: Yes, I think it is there in the disclosures. Texmaco Infra has made disclosures about what the revenue share is. I don't recall it often, but you can check the disclosures made by Texmaco Infra.

Saumil Shah: And on the Zuari Infra's DM projects, so basically, what's the size of both these projects, Gangotri and Texmaco Rail?

Athar Shahab: Nishant, do you have the numbers?

Nishant Dalal: Yes, I have the numbers. It's there in your presentation also.

Athar Shahab: It was mentioned in the presentation.

Nishant Dalal: So Gangotri is almost, it translates into a mega project. So that is almost, so actually, the GDV is more than 2000 crores, even for the Gangotri. And for the Texmaco Rail project, also a similar kind of GDVs are there, (+2,000) crores kind of.

Saumil Shah: And we don't have to invest anything, we will just get the revenue sharing?

Nishant Dalal: Yes.

Saumil Shah: And could we know what would be the percentage of revenue sharing?

Nishant Dalal: That also I think we have indicated, it is around 7% of the top line.

Saumil Shah: And this will be as per project completion basis or at the time of OC? So how do we account it?

Nishant Dalal: That happens over the tenure of the contract.

Saumil Shah: That I understood. So basically, I mean, how do we account it as per the completion? So as and when the project starts, plinth and all, as per the completion, we will be accounting it every quarter or only at the time of OC?

Nishant Dalal: No, because DM is a service which we are giving and that will be on the basis of the tenure. There will be, you can say monthly billing, which we will be doing as per our contract. So that much revenue recognition will be happening on a monthly basis or on a quarterly basis.

Athar Shahab: So, we are not a developer, we are a consultant and we get a fee income. So as and when we get the fee income, we will account for it as an income.

Saumil Shah: Understood. My final question. So, on the furniture part, so we are still doing losses, till when it can continue and how much land and assets we own in that division?

Athar Shahab: So let me answer the second question first. we own 17 acres of land in Kakkalur where this furniture factory is based. What we have done is that we have plugged in the significant losses that were happening when the company was operating. So, we have closed the operations, the workers have been separated and their dues have been settled. And right now, there is a small

bunch of people who are there to take care of the asset and security and so on and so forth. So, I think that's the kind of expenditure that we are incurring on maintaining that asset. 10 lakh rupees per month is what we are spending. And we are also exploring how we can either revive that business or otherwise monetize that land and factory.

Saumil Shah: Understood. That's it from my side. Thank you and all the best.

Athar Shahab: Thank you.

Moderator: Thank you. Next question is from the line of Richa Shah from SRP Associates. Please go ahead.

Richa Shah: Hello, sir. My question to you is, how do you see Zuari's role today within the broader advanced ecosystem and also, what are your strategic priorities for the next 3 to 5 years?

Athar Shahab: Zuari, as we keep mentioning, is the Apex holding company of the group. And we have an operating business, which is sugar, palm and ethanol. And then we have a number of subsidiaries, such as real estate, engineering and construction, small business in stock broking, insurance broking and so on. And we have some strategic investments. So, for Zuari, I think in previous calls, we have mentioned that we are pursuing three directions. One is a big focus on real estate. We already have a track record now, both in India and abroad, on developing real estate. So, we have pressed the pedal on real estate and we are reporting to you the progress that we have made. The second is bioethanol, where we are setting up a project in collaboration with a large European player, a 180 klpd distillery in Uttar Pradesh. And we definitely want to expand our footprint in bioethanol. The third is our old business of sugar itself, which we believe can also expand organically. I think these are the three verticals where we have focused ourselves and we have been sharing the progress that we are making in these three areas.

Richa Shah: Okay sir got your point. And also, it can be seen that now the fertilizers, sugar and rail business has scaled up. So, do you see any further consolidation or simplification, I would say, of the group structure?

Athar Shahab: I think the fertilizer structure stands very simplified. Over the last few years, the group has consolidated everything into PPL and probably you have taken note of the recent merger of MCFL into PPL. So that now creates a very potent entity with operations in three port-based locations. And I think it's a very good development for the group. So that part of simplification is already done. Texmaco Rail, in any case, is doing quite well. It's an integrated unit which does a whole lot of stuff in railways, not only making wagons, but also doing rail EPC and making all kinds of spares and providing services to railways. So that's a business. We are the investors in TEX Rail, we are investors in PPL now through our companies, Zuari Agrochemicals. So, I think these two entities are doing quite well. And as I keep telling you people every quarter is that we are constantly evaluating how we can further simplify these structures. Talking about Zuari itself, probably you have not noted it in the previous calls. We have also merged two entities. Sugar business used to be in a separate company called Govind Sugar Mills. So, it was

merged into the parent and it's now the SPE division of the company. We also merged a company called Zuari Sugar and Power Limited. So, the bottom line is that we are constantly looking at simplifying things and hopefully you will see a leaner and well-defined structure emerging.

Richa Shah: Okay Sir got your point. Thank you, sir. All the best.

Athar Shahab: Thank you, Richa.

Moderator: Thank you. The next question is from the line of Rahul Jain from RJ Investments. Please go ahead.

Rahul Jain: Thank you. Two questions. So firstly, ZEBPL is commissioned. Will be its revenue and margin profile that you see going ahead and how fast do you expect it to ramp up? If you could shed some light on that.

Nishant Dalal: So ZEBPL, if we talk about, under ZEBPL right now, we are about to commission our first plant, which is a 180 klpd capacity distilled ethanol plant and expected top line, you can say for from the main products, ethanol plus the byproduct of DDGS, CO2, etc., should be (+452) crores kind of. And the way it is a part of our critical growth story, if we talk about. So, our idea has been to develop ZEBPL into our platform for our bioethanol ventures. So, our plan has been our next 3 to 5 years to take the capacity to 1000 klpd. And that is subjected to you can see how the regulatory environment evolves as well as how the demand supply dynamics evolve.

Rahul Jain: Understood. And secondly, what is your strategy for the 4680 crores portfolio of strategic investments that we have? Could you enumerate it and under what conditions would you monetize any of them? Could you shed some light on that?

Nishant Dalal: See, Rahul, I will say that these are all our strategic investments. As you understand our structure also, ZIL, beyond you can see its operations in sugar real estate, we continue to serve as the Apex holding company also. And majority of these investments, which you are looking at, they are all our long-term strategic investment in the different ventures, primarily into fertilizer, then also into our Texmaco real business and all. We don't foresee any plan on monetizing any of these businesses for the time being.

Rahul Jain: Understood. That's all from my side. Thank you for answering my questions and all the best for the future.

Nishant Dalal: Thank you.

Moderator: Thank you. The next question is from the line of Bhautik Doshi from ROS Capital. Please go ahead.

- Bhautik Doshi:** Sir, I just had a couple of questions. One is, what is your current ethanol capacity and its utilization? And how much do you further think, the volume growth is possible over the next 1 or 2 years?
- Nishant Dalal:** So, if we talk about Zuari Industries, my ethanol capacity is right now under operational is my 125 kilolitres per day of sugar-based distillery. And this capacity is fully operational. If you are seeing it, we have operated our ethanol distillery for 311 days during the last ethanol season, which is probably the highest ever you will find for any sugar-based distilleries. And we have been able to do it through more operating days even during the off-season by opportunistic purchase of raw material, which is molasses primarily. Another ethanol capacity, which just I explained, is under development, about to be commissioned for our Zuari Envien Venture, Zuari Envien Bioethanol Private Limited. So that is the two capacities. Almost, one is fully operational, 100% utilization, another is about to be commissioned.
- Athar Shahab:** Just to add to what Nishant said, our distillery, which is a molasses-based distillery, is running at 85% capacity. And I think that's about the max that you can go. So, we will now have to explore what else we can do in terms of improving the operational efficiency of that distillery and even better the numbers that we have delivered.
- Bhautik Doshi:** Understood. So, what visibility do we have on the pricing front in offtake of OMCs, what are the key policy risks you are seeing, can you throw some light on that?
- Athar Shahab:** See, we have just seen the first round of tenders in which 1,050 crores litres was sought by oil marketing companies. This is much higher than what they had sought last year. We have seen participated as Zuari Industries and we have got 100% allocation. Nishant?
- Nishant Dalal:** Yes, we have got 100%.
- Athar Shahab:** So, we got 100% allocation. And we are happy with that outcome. But as you probably know that there was a significant amount of bidding interest from many suppliers and more than 1,700 crores litres worth of bids were made to the oil marketing companies. So, at an aggregate level, however, I mean, we have another interest in a grain-based distillery as Nishant pointed out where we hold 50% equity and 50% is held by Envien of Europe. That's a grain-based distillery. And when we analyze the figures for the allocation, we found that on an aggregate basis, grain-based distilleries have got 78% allocation. So, government is actually favouring grain-based distillery, although that figure was a little lower for Uttar Pradesh-based distilleries. So, there is a complex mechanism by which these allocations take place and there are multiple policy objectives that the government is trying to balance through these allocations. Be that as it may, I think the bigger issues are actually a much-awaited correction in the procurement price of ethanol, which has been stagnating for quite some time and which does not reflect the true price at which grain-based distilleries could have a proper risk-adjusted return on their investments. So, we have been raising this issue and we expect that the government will take this concern into account and alleviate the concerns of the grain-based distilleries. We have also noted with

concern the massive rise in the prices of corn, although I must say that in recent times, by introducing broken rice from FCI, the corn prices have somewhat moderated. The DDGS, which is a valuable by-product, those prices have also kind of been very soft. So, I think overall it's a very interesting landscape. We continue to be long about the bioethanol sector. We think it's playing a very important role in energy transition of the country. We believe that it is saving us a lot of FOREX. We also believe that it is helping farmers improve their incomes. So multiple policy objectives are fulfilled by this very ambitious program. And I think we also expect that the government would increase the blending targets from the current 20% and that would hopefully absorb all the excess capacity that currently exists. So, to sum it up, I think we continue to be optimistic in the medium to long term about the bioethanol sector. And we do hope that some of the policy issues will be addressed by the government.

Bhautik Doshi: Sir, that was my question. Thank you and all the best, sir.

Athar Shahab: Thank you.

Moderator: Thank you. The next question is from the line of Darsh Chauhan from SG Capital. Please go ahead.

Darsh Chauhan: Good afternoon, everyone. And thanks for taking my questions. So, my first question is that in Q2, I believe you had lower sales volumes for sugar and at the same time you had higher realizations. So just wanted to understand how did that play out with respect to the SP margins, if you could elaborate.

Nishant Dalal: So that is what if we talk on the yearly basis, our sales were less from 4.2 lakh quintals to 3.6 lakh quintals. But our realization for the quarter has improved tremendously from INR 3.815 per quintal to INR 4.033 per quintal in the sugar. And the same thing then has worked us for on our margins also. So, if you talk about our EBITDA margins for sugar have ranged somewhere around 6.9% for the quarter as compared to much lower for the previous quarter. There is a considerable, if you are tracking the sugar, so there is an item also when the power rates also have been increased by the UPPCL and which were anyway due for revision from 1st April of 2024. So, the revision in the rates have happened and we have also booked, you can say, the corresponding income on the supplied power of almost (+6) crores for that in the quarter also. So that has also added to our EBITDA margins. So overall impact of better sugar realizations as well as the power prices, that has helped us improve our EBITDA margins for the sugar sector.

Darsh Chauhan: Also, regarding the margin trajectory, just taking it ahead. So, what are the sustainable levels then that you foresee for SP?

Nishant Dalal: See, if we talk about, it had been very positive. EBITDA margins should have been for sugar industry overall, if you talk about, they should be ranging in between 10% to 12% comfortably. There is an impact of increase in the sugar cane prices which has happened very recently. So that way, to what extent that increase in cane prices is translated into sugar prices, that is yet to

be seen because if you look at overall sugar situation of India, so the even ISMA estimates point out that there is going to be surplus sugar production and accordingly, government taking cognizance of the same has allowed for 1.5 million tons of export also. So overall, if we talk about there, as compared to a month back, today if we talk about the EBITDA margins, maybe under some pressure depending on the kind of transmission happens in the sugar prices with respect to the increase in the cane cost. But I think 10% to 12% should still be a comfortable range to factor on the EBITDA margin projections.

Darsh Chauhan: Thank you. That's helpful. And my last question is more on a broader strategy level. So, just wanted to know your thoughts on capital allocation. So, I mean, over the medium term, 3 to 5 years or 2 to 3 years, how do you plan to deploy your capital? So, how do you plan to balance it between growth CAPEX and debt reduction efforts? And also, just to take that further, any possibility of buybacks, dividends?

Nishant Dalal: I will try to answer it. So, in a manner that if we talk today, then our immediate priority is to de-leverage our balance sheet. So, there are certain monetization events which are expected and they should lead a surplus cash, which will help us with, you can de-leverage. Now, capital allocation over next 3 to 5 years., if we talk about, then we have identified the three key verticals for us for our growth. And one of those verticals is our sugar sector. So, in sugar sector, we continue to improve on our existing capacities. Plus, we are also exploring for both organic as well as inorganic opportunities in the sugar sector. So, that is one vertical. Second is on our real estate part, where we continue, we are pursuing an asset light approach. And as a part of that, so the capital allocation may happen in growing our DM business, which is high yield or high margin business also. So, second is that vertical. And the third is our bioethanol venture. So, we continue to remain, mid to long term, we are bullish on the bioethanol energy transition story of India. And the kind of allocation of capital, which will happen over next 3-5 years in bioethanol sector will also be driven a lot on the policy environment, as well as the larger macroeconomic environment of the bioethanol. So, that is what will drive. But these three sectors are the sectors where our capital allocation planning will happen over next 3 to 5 years. Hope that answers your question.

Darsh Chauhan: Yes, it does. Thank you. That's all from my side and all the best to you.

Nishant Dalal: Thank you.

Moderator : Thank you. The next question is from the line of Gunjan Modi from Family Office. Please go ahead

Gunjan Modi: Inaudible

Moderator: The next question is from the line of Vivek Gupta from Star Investments. Please go ahead

Vivek Gupta: No response

Moderator: Since, there is no response . The next question is from the line of Dhara from Aadish Capital. Please go ahead.

Dhara: Thank you for the opportunity. Actually, I had a question that given the centre's decision to permit 1.5 million tons of sugar exports for '25-26 sugar season versus 2 million tons requested by the industry. How are you recalibrating your export strategy, domestic sales mix and pricing assumptions for the upcoming season?

Nishant Dalal: See, when we talk about being a north-based player, our sugar primarily is sold in the domestic market itself. And we do opportunistic export whenever opportunities arise that we do primarily to Nepal and that region. Impact of 1.5 million tons of export will be coming across overall sector of India or overall sugar production in India. So, that is something which will drive. Now, it also depends on that how much of that export quota really translates into physical exports because if you look at currently at the export market also. So, there is certain moderation in the prices which is happening. So, the actual exports quantities will probably be overall impacting the sugar availability in India and overall then sugar prices. Consumption side, if you talk about then sugar consumption in India, it continues to move at a stable pace. Almost, I think, 28 million plus ton of consumption is expected to be there for the country. So, that consumption story will be there. Given there is an increase in the sugarcane prices, so there will be some pass-through of the cost and for sugar being essential commodity to what extent the cost pass-through happens that we have to see. So, if you look at regularly trade sugar prices, there was a sudden impact of increase in sugar domestic prices of almost INR (+100). How long it sustains and how long it further goes up, that is yet to evolve. But overall, these are the things which will determine sugar prices in India. On the supply side, I think sugar still remains a commodity which is controlled commodity by government of India. So, we do get domestic sales quota and the monthly availability of sugar in the market continues to be controlled. So, I think we don't foresee sharp decrease, etc. or a negative movement in sugar prices. The upward movement, I think, will be more driven on the supply and demand dynamics.

Athar Shahab: I think the short answer to your question is that releasing of some quota for export is a good and positive idea. But it all depends on, as a company, what kind of quota you get as a company. So, to what extent you can take advantage if at all. Second is, what impact will this have on the overall market? And that is an open question. Nobody can say for sure whether it was anticipated and the market has already factored in or whether this release of export quota will further affect the pricing. What are we doing? I think we are probably budgeting a small portion of our sales coming in from exports. We did a very tiny amount of exports last year when the quota was even smaller. We will probably have a modest estimate for export sales.

Dhara: Got it. Thank you and all the best.

Athar Shahab: Thank you.

- Moderator:** Thank you. The next question is from the line of Varun Mishra from SK Investment. Please go ahead.
- Varun Mishra:** Thank you. I had a couple of questions from my end. So, over the next 3 to 5 years, how do you plan to balance the sugar versus ethanol, like to stabilize the SPE earnings under the changing regulations?
- Athar Shahab:** See, we have a dynamic decision-making model where practically on a real time basis, we decide what to produce and how much and when. Because while the ethanol prices are fixed, the sugar prices keep varying. So, we do not rely on gut feel, but we rely on our own models which tell us what to produce and when. So, we have been using that to optimize our top-line and bottom-line performance. As we mentioned earlier in the call, one of the key tasks before us and I will take you even back maybe a couple of years. So, what we have done in our distillery side is that we have increased the capacity from 100 to 125 klpd. We have also built in the flexibility to produce ethanol directly from sugarcane juice. So, this has kind of improved the viability of our distillery business. The third task was to increase the distillery operating days. And if you notice, we have been increasing it every year. And this year, as we reported earlier, we have achieved 311 days in a season, which is very good performance of (+85%) capacity utilization. And how have we done it? Obviously, our sugar factory does not have all the molasses to feed our distillery. So, what we do is to actually buy molasses from an open market and make sure that we achieve maximum capacity utilization. And I think that strategy has worked out very well for us in making sure that the distillery runs to its full potential. Meanwhile, when we are in this sugar season and the choices between producing sugar and ethanol, it is driven by the market prices. And as I said earlier, it is all data driven and not based on gut feel.
- Varun Mishra:** All right, sir. And so, what would be the status of bookings, collections and the pending costs of the measured Phase 4 and how much revenue is left to recognize?
- Athar Shahab:** In bookings, I think out of 156 plots, I think about 98 have been booked. Revenues, I will not be able to recall.
- Jatin Jain:** Total project revenue is around 90 crores, which we will be recognizing at the time of handover of units to the customers.
- Varun Mishra:** All right, sir. Great, sir. That is all from my end, sir. Thank you and all the best.
- Athar Shahab:** Thank you.
- Moderator:** Thank you. The next question is from the line of Ishan Agarwal from Brightstar Investments. Please go ahead.
- Ishan Agarwal:** Thank you for the opportunity. I have a couple of questions. Firstly, in the last conference call, you had hinted that by the end of this quarter, you will be having a better estimate of the

realization from the Dubai project and as to how much of it can contribute to the deleveraging of the company. Can you throw some light on it, please?

Athar Shahab: Yes, I did mention that by this call, we will have a better estimate both of the quantum and the timing. And through this call, I want to tell you and all those who are participating that we are expecting a cash inflow of 800 crores approximately. And that will come to us in the 2nd Quarter of the next financial year or next calendar year.

Nishant Dalal: It will start flowing from that period.

Athar Shahab: From April onwards.

Ishan Agarwal: So, we expect it to start coming from April and maybe it will take 3 to 6 months for the entire amount to flow in, is what you are suggesting?

Athar Shahab: Yes, there is a structure and a plan to bring it. So, it will take some time, but it will be spread over several months.

Ishan Agarwal: And to what extent will the 800 crores be used for deleveraging?

Athar Shahab: Entirely.

Ishan Agarwal: Okay, that's good to hear.

Athar Shahab: Yes, absolutely.

Ishan Agarwal: So, by Q2 of the next financial year, we could be looking at a gross external debt of maybe close to 1,000 crores.

Athar Shahab: Right now, the gross external debt is 1,863 crores as on 30th of September. So, you reduce it by 800 crores. So, obviously.

Ishan Agarwal: Okay. And secondly, in order to simplify the group structure further, which we have been working on, have the boards of Zuari Agro and Zuari Industries started thinking on any corporate action between these two companies or is it too early right now?

Athar Shahab: I can't answer that question at all. What happens in the board meetings remains there and all the companies make public announcements.

Ishan Agarwal: Thank you. That's it from my side.

Athar Shahab: Thank you.

Moderator: Thank you. Ladies and gentlemen, in the interest of time, that was the last question. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Athar Shahab: So, thank you, Darshni and the entire MUFG team for organizing this call. I just want to, first of all, thank all the participants who have joined us for this call. Q2 happens to be a somewhat muted quarter for our company because the sugar factory is not in operation. But I am very happy to see the performance of the company this year in Q2. And apart from all the good work on the businesses, I think, Nishant, you should have also mentioned the increase in the dividend that you received from Chambal Fertilizers. That has also helped you. Overall, I think we are happy with the progress that we have made. We have been briefing our investors about our strategies and plans, and we intend to stay connected with you, of course, through the structured discussions and quarterly investors calls, but also intermittently meeting investors and analysts during the quarter. We remain very positive about the prospects of the company, and we hope that they will give you some more good news when we meet next time. Thank you very much.

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