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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 26 May 2026**

**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 20 May 2026 and 26 May 2026 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 held on 26 May 2026.

This is for your information and record.

Thanking you,  
**For Zuari Industries Limited**

**Yadvinder Goyal**  
**Company Secretary**

**Encl:** As stated above



“Zuari Industries Limited  
Q4 FY26 Earnings Conference Call”

May 26, 2026



**MANAGEMENT:** **MR. ATHAR SHAHAB – MANAGING DIRECTOR – ZUARI INDUSTRIES LIMITED**  
**MR. ALOK SAXENA – WHOLE TIME DIRECTOR – ZUARI INDUSTRIES LIMITED**  
**MR. JATIN JAIN – CHIEF FINANCIAL OFFICER – ZUARI INDUSTRIES LIMITED**  
**MR. YADVINDER GOYAL – COMPANY SECRETARY – ZUARI INDUSTRIES LIMITED**  
**MR. ALOK BANERJEE – CHIEF EXECUTIVE OFFICER – ZUARI INFRAWORLD INDIA LIMITED**

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

**Moderator:** Ladies and gentlemen, good day, and welcome to the Zuari Industries Limited Q4 FY26 Earnings Conference Call, hosted by MUFG Intime. As a reminder, all participant lines will remain 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 the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Darshni Desai from MUFG Intime for opening remarks. Thank you, and over to you.

**Darshni Desai:** Thank you. Good afternoon, everyone and I extend a very warm welcome to all participants on the Q4 and FY26 Earnings Conference call of Zuari Industries Limited. Today on this call we have Mr. Athar Shahab, Managing Director; Mr. Alok Saxena, Whole Time Director; Mr. Jatin Jain, Chief Financial Officer; Mr. Yadvinder Goyal, Company Secretary and Mr. Alok Banerjee, CEO of Zuari Infracore India Limited, a wholly-owned subsidiary and the real estate arm of Zuari Industries Limited.

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 hand over the call to Athar Shahab ji. Over to you, sir. Thank you.

**Athar Shahab:** Thank you, Darshni. On behalf of Zuari Industries Limited, I would like to extend a very warm welcome to all the participants in today's call who are joining us today for the financial results discussion. And I'm going to focus primarily on our annual performance, and when my colleague Jatin Jain speaks, he will talk about even the quarterly performance.

So we had a great year as far as our sugar business is concerned. We continue to demonstrate very strong and resilient operating performance. We achieved our highest ever crushing of 159.7 lakh quintal for the financial year. And for the season, we reached a record of 163.7 lakh quintal.

The best part was that we achieved the highest ever capacity utilization of 101.7%. We had a slightly lower recovery this year in financial year '26 at 10.26% compared to the previous year. But this was largely in line with lower recovery trends observed across the region. Consequently, our production was marginally lower at 14.4 lakh quintal versus 14.7 lakh quintals last year.

Although, if you look at the whole season, the production increased by 13% to 14.8 lakh quintal. Sugar sales were a shade lower at 14.3 lakh quintal compared to 15.1 lakh quintal in FY '25.

While our sugar realizations improved to INR4,053 per quintal from INR3,894 per quintal in the previous year.

Our ethanol business also maintained a steady momentum with production increasing by 10.1% and sales growing by 0.7%, while average realization stood at INR62.6 per liter. The power sales were a shade lower at 857 lakh units compared to 907 lakh units in FY '25 because the mill was not operating during April of 2025.

So if I want to summarize the performance of the sugar division, I think just to reiterate, we have had the highest capacity utilization, the sugar realization was up by 4.1%, ethanol production up by 10.1%, sales up by 0.7%, ethanol average realization up by 1.1%. So these are the highlights of our SPE division, and I am very happy to see the overall performance of the SPE division.

Moving on to our subsidiaries and joint ventures, Zuari Infracore, which is our real estate subsidiary. It continues to make steady progress on our asset-light development management strategy. As you are aware, we are currently executing projects in Hyderabad, Kolkata, and Bangalore in India, and of course one in Dubai.

The aggregate GDV of all these projects in India is about INR4,900 crores. This includes a residential project in Hyderabad, a mixed-use development at Panihati in Kolkata, the Adventz Corporate Center office in Kolkata, and very recently a plotted development project in Bangalore which is marking our entry into that very important market.

These projects are at various stages of development, and they are forming part of the execution of our strategy of building a diversified and scalable development management portfolio. We continue to evaluate further DM mandates across South India and Kolkata. Our most important project in Zuari Infracore, which is the St. Regis Dubai project, is now nearing completion.

Because of the war and the difficulties in that region, there were slight delays in completion. The project now stands 98% complete. We have as on 21st of May received the building completion certificate from the authorities, and we are expecting the handovers to commence very soon. And my colleague, Alok Banerjee, who has joined the call today, will speak during the Q&A sessions if you have any questions about the Dubai project.

Simon India, which is our engineering and construction company. It has continued to maintain its execution momentum during the year with completed projects of around INR50 crores. They completed the prestigious fifth evaporator project at PPL Paradeep. They completed the 8,000-ton phosphoric acid project at -- tank project at PPL Mangalore.

They have been doing residual engineering work at PPL Goa, as well as doing a few feasibility studies and design engineering projects. In addition, projects worth almost INR95 crores remain

under execution, including the TG4 project at PPL Paradeep and the sulfur melting and filtration facility project at PPL Paradeep.

The business has continued to strengthen its technology and innovation capabilities through strategic partnerships with global technology licensors, along with collaborations with leading academic institutions such as NML Jamshedpur, IIT Bombay, and ISM Dhanbad. Moving on to our financial services businesses. Both Zuari Finserv and Zuari Insurance Brokers have had excellent financial years. In Zuari Finserv, the EBITDA grew up by more than 60%.

And right now they are implementing a new tech platform to distribute a range of financial products. Zuari Insurance Brokers, the EBITDA grew up by 54%. They have shown a robust renewal ratio and also helped clients settle a number of insurance claims. Our bioethanol joint venture, namely Zuari Envien Bioenergy Private Limited, commissioned its plant on 1st of January, 2026.

The plant is currently under stabilization. As you are aware, the OMC tenders which are supposed to come the second and the third round have not come yet. And we have some orders which will take us through until the month of October. There has been a lot of positive movement in the ethanol industry, and we expect the situation to improve substantially. And the OMC tenders to come up in the coming quarters.

As far as our investment portfolio is concerned, we continue to maintain our strategic investments across our portfolio, including Chambal Fertilisers, Zuari Agro Chemicals, Paradeep, as well Paradeep is actually held below Zuari Agro Chemicals. We also hold equity in Texmaco Rail & Engineering as well as Texmaco Infrastructure & Holdings.

De-leveraging ourselves has been one of the core objectives and we have been working towards it. We believe that the inflow from Dubai project which will begin later this year will help us significantly de-leverage our company. We are also working on some plans to de-leverage ourselves further.

Looking ahead, I think the macroeconomic situation, of course, is a concern to all of us. It is affecting capex plans both in India and the Middle East. So that's a concern. It has also increased the input prices even for our sugar business. So we will have to watch that carefully. Sugar prices are expected to remain stable in the near-term as closing stocks are estimated at about 5.6 million ton, which was 5.3 million ton last year, which is equivalent to about two months of consumption.

While stagnant ethanol prices have continued to put some pressure on profitability, we remain quite optimistic as I said earlier about the sector outlook. We are also expecting that the much-awaited revision in ethanol prices will come about. It's been long overdue and industry has made several representations to the government.

As I mentioned in our previous calls, we continue to evaluate inorganic growth opportunities across our businesses, even as we continue to adopt digital solutions across our businesses to improve our efficiency and streamlining our processes. So ladies and gentlemen, broadly this is the sense. You have seen the results I hope and also gone through the investor presentation. And in the interest of time, now I would like to invite my colleague Jatin Jain, CFO, to take you through the results. And then we will have the Q&A. Over to you, Jatin.

**Jatin Jain:**

Thank you, sir. And good afternoon to everyone. I will begin by providing a review of Zuari Industries' performance. On a standalone basis, the company reported a total income of INR995 crores for financial year '26, while EBITDA stood at INR191 crores, up 6.8% from financial year '25.

Profit before tax before exceptional items stood at around INR54 crores for the year, up 70% from financial year '25. Profit after tax stood at INR12 crores for the year against a loss of INR37 crores. We have lowered the finance cost by INR11 crores on a year-on-year basis. Finance cost is INR111 crores versus INR123 crores in financial year '25.

On a consolidated basis, the total income stood at around INR1,155 crores for financial year '26 versus INR1,082 crores in financial year '25 while consolidated EBITDA stood at around INR181 crores, up 12.2% from financial year 25. Profit before tax before exceptional item stood at INR131 crores for the year against a loss of INR67.8 crores.

Consolidated profit after tax stood at around INR105 crores for the year against a loss of INR94.4 crores. The company continued to benefit from improved operational efficiencies, financial discipline, and lowering borrowing costs during the year, lowering of finance costs by INR19.4 crores on a consolidated basis.

I just give you a highlight on updates on the subsidiaries. In terms of our subsidiaries, the major subsidiary, Zuari Infracore India Limited, the total income grew by 78% on a year-on-year basis, and it has delivered a stable return during the current financial year. For Simon India Limited, the Q4 income surged to INR29.8 crores compared to INR8.9 crores in the corresponding quarter of the previous year. For the financial year, total income stood at around INR89.4 crores, making a significant increase from INR18.8 crores reported in financial year '25. The company achieved a strong improvement in full year EBITDA, rising to INR6.8 crores from INR0.9 crores in financial year '25.

For our Zuari Finserv, the total income increased to INR20.1 crores from INR19.3 crores in financial year '25, reflecting a growth of approximately 4.1% year-on-year. Financial year EBITDA stood to INR5.6 crores compared to INR3.5 crores in financial year '25, registering a strong growth of 60% year-on-year basis.

For our Zuari Insurance Broking Limited, the gross return premium for financial year '26 increased to INR99.4 crores from INR91.2 crores in financial year '25, registering a growth of

approximately 9% year-on-year basis. Brokerage income for the financial year stood at INR10.2 crores compared to INR7.3 crores in financial year '25, reflecting a strong growth of approximately 40% year-on-year basis. So I have given a snapshot of the performance of my subsidiaries.

Now I hand over the call to Darshni. We can move ahead.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question and answer session. We take the first question from the line of Santosh Shetty from LGC Capital. Please go ahead.

**Santosh Shetty:** Good afternoon, sir.

**Athar Shahab:** Good afternoon.

**Santosh Shetty:** So, sir, my first question is that our Zuari Finserv and Zuari Insurance Brokers have both delivered strong operational improvement. What are the key strategic priorities for scaling these businesses further?

**Athar Shahab:** I think we are looking to expand the customer base in both the businesses. We believe that there are multiple opportunities for both Zuari Finserv, particularly in the area of financial product distribution. Historically, we have focused on broking. But we believe that the scope for distributing a whole range of financial products is quite immense in the country.

India has become a sophisticated market for financial products. And we want to leverage technology, and we want to offer this range of instruments to our investors actually. So that will to my mind be the bedrock for growth in Zuari Financial Services. As regards insurance broking is concerned, I think this is a market which has grown very rapidly.

Historically, if you evaluate the performance of Zuari Insurance Brokers, it's always been quite profitable. But we believe that there is a lot of room for growing our consumer business as well as corporate business. So traditionally, we have been largely a corporate insurance broker, and that of course that portfolio we will try and grow. But we will also see what we can do on the non-corporate side. And I think the entire ecosystem, particularly, in North India is very ripe for entities like Zuari Insurance Brokers. And therefore, we reasonably expect that they should grow their business.

**Santosh Shetty:** Okay, thank you, sir. Just another question. Management has highlighted deleveraging as a key focus area. Beyond the expected inflows from the Dubai project and associate company, what additional strategic initiatives are being evaluated to further reduce debt at the holding company level?

**Athar Shahab:** I think that itself will bring us to a very comfortable level. So we are not looking at kind of raising any other kind of resources for deleveraging at this point in time. I think the inflows that

we are expecting from Dubai and the associate company will bring us to a very, very comfortable situation.

**Santosh Shetty:** Okay, sir. Thank you so much, sir. That really helps. All the best.

**Athar Shahab:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Viren Patel from Balaji Securities. Please go ahead.

**Viren Patel:** Yes, good afternoon, sir.

**Athar Shahab:** Good afternoon.

**Viren Patel:** Sir, I am Viren Patel. I have two questions. One is regarding the deleveraging. Can you let me know what kind of deleveraging you are looking at because, you know, last one, two quarters I've been hearing that this will be deleveraged every quarter, you know, you keep assurances that this quarter the debt will come down. So investors are always keeping hopes that the deleveraging will happen. So far it has not happened. So how sure you are that this quarter the Dubai amount will come and can you highlight how much deleveraging will happen this quarter or next quarter?

**Athar Shahab:** I think we have been making very fact-based statements in our calls and telling you about how the projects are progressing. And this is on the basis of a real project that we have done in Dubai. And I would like to invite my colleague Alok Banerjee, who is the CEO of Zuari Infracore and who has been handling the Dubai project. So Alok, would you please give a heads up on where the project is and by what time should we expect to bring in the funds from Dubai. Alok?

**Alok Banerjee:** Yes. Thank you, Athar. Good afternoon. So, as you know that the Dubai project is, you know, the cornerstone for us to generate these cash flows. And I'm happy to say that in spite of the West Asia crisis that we are going through, we received the building completion certificate just about a couple of days ago.

So now since we are 100% sold out, we have sold it on a payment plan wherein 50% was collected during construction and 50% will be collected post getting BCC, which is a building completion certificate. And now as we speak, we are raising the demand letters on all the customers who have purchased. And we expect that about INR850 crores to INR900 crores should flow into us over the next six months.

And we see that as a reality. And hoping that nothing economically or something else happens in the world, but otherwise this is a completed project. And now, also I'm glad to inform you that we use the St. Regis brand and Marriott has recognized this building as the best St. Regis building outside of the US in the residential sector. So, as we speak, we are quite confident that this money should come in as the customers start paying up.

- Viren Patel:** So sir, this INR850 crores will totally be used to repay the debt and bring down the debt or some of it will be used somewhere else?
- Athar Shahab:** This amount will be used entirely for deleveraging. And I think the sense that we are getting from Alok is that funds should start coming to us in Q2 and Q3 of this year. And Alok, you have to tell us how much of the total inflow will you receive in this year. Alok, can you give that number for the benefit of all?
- Alok Banerjee:** Yes, right, right. That's what I said that in this year other than the small amount of retention money. So, about INR800 crores -- INR850 crores to INR900 crores should come in this year.
- Viren Patel:** So what kind of net debt we are looking after this after receiving this amount, what will be the net debt?
- Athar Shahab:** Jatin?
- Jatin Jain:** Yes, I will answer this question. So after considering the inflows from the Dubai project of around INR800 crores considering the exchange rate fluctuation and the inflows from our associate company of around INR258 crores. So we expect that our external borrowings will be in the range of around INR700 crores and INR800 crores which we are able to manage from our operations. Considering our sugar business is performing very well after considering the impact of INR30 in the SAP prices. So we will be able to manage it.
- Viren Patel:** So, at the end of this financial year, we'll be at the debt of -- we'll be having a net debt of INR700 crores. Is that, I heard it right?
- Jatin Jain:** Yes.
- Viren Patel:** Okay. Thank you. My next question is regarding the strategic investments we have. I have seen that 20% reduction is happened in the total investment. So what's happening in the entire group because entire group I see it's not performing. So as a Zuari group do you have some issues regarding the performance of all your companies because the value of all your investments have gone down by 20%, which is around INR1,000 crores. So can you highlight me about what's happening what's the -- has the shareholder value we see that?
- Athar Shahab:** I think if you have had the chance to see the or review the performance or participate in the calls of our companies, they have all put up exceptional performance. Both Paradeep Phosphates as well as Chambal Fertilisers have put up exceptional performance. We do not comment on the share prices.
- And share prices are subject to multiple things which I do not want to comment about. But I think operationally both the companies have put up an excellent performance. I think overall in my portfolio, all the three major companies which is Chambal Fertilisers, Paradeep Phosphates

ultimately, and Paradeep of course is not directly owned by us. It is through Zuari Agro Chemicals and we have a little bit...

- Jatin Jain:** A little bit of percentage 0.06.
- Athar Shahab:** A very small shareholding directly in PPL. And our company Texmaco Rail, all of them have done quite well operationally. So that's all we see. And as I mentioned earlier in previous calls, they are all strategic investments. Very important for the country. We are present in all these strong sectors that the country requires and operationally we are very happy with their performance.
- Viren Patel:** Sir, last question about it. As you said about all the companies have performed very well. Just go through what has happened with Texmaco Rail. They have just made a provision of INR700 crores in their balance sheet. So I think Zuari shareholders, industry have been major shareholder in the company and as a shareholder our share price has been from 400 it come down to 250. So all these things is indirectly hurting shareholders like us. I just want management to look into it and you should think about what is happening actually. Why the value is not going.
- Athar Shahab:** Yes, thank you very much. We continue to do that. And Jatin you want to mention about fact that Texmaco Rail.
- Jatin Jain:** Yes, I just need to mention a fact because these Texmaco Rail is a strategic investment. We are holding it but we are not consolidating this investment in our consolidated financial statements. We are holding this investment as a strategic investment.
- Viren Patel:** Okay, sir. There is one more project in Delhi which is coming up which some of a group companies. Can you highlight more about what is that project?
- Athar Shahab:** I think that question is best asked to that company -- Texmaco Infra Holdings.
- Viren Patel:** Is there any project coming up over there in Delhi?
- Athar Shahab:** Yes, they have made announcements about a project coming up in Delhi.
- Viren Patel:** What's the status of that?
- Athar Shahab:** I think you know this is best asked to the management of TIHL.
- Viren Patel:** Okay, thank you. That's it from me.
- Moderator:** Thank you. We take the next question from the line of Gunjan Modi, an Individual Investor. Please go ahead.

- Gunjan Modi:** Yes, very good afternoon. So my question is regarding Goa land banks which we have and I guess we had transacted with Zuari Agro during the period of 2012.
- Moderator:** Gunjan, sorry to interrupt you, but there's too much of background noise coming from your end.
- Gunjan Modi:** Okay, am I audible now?
- Moderator:** You are, please go ahead.
- Gunjan Modi:** Yes, my question is regarding the Goa land banks which we transacted with Zuari Agro during the period of 2012 to 2016. Just wanted to -- management to answer the or assess the value of those land banks. Do we see any value left since the political crisis which began in Goa, I guess, since last two years? And do we plan to deleverage from that or anything?
- Jatin Jain:** Yes, Gunjan I will answer this question. So currently Zuari Industries is holding around 260 acres of land parcel and the value in the books of account is around INR163 crores.
- Gunjan Modi:** Correct.
- Athar Shahab:** And to add to what Jatin said, I have highlighted the difficulties and challenges in Goa as far as monetization is concerned. So we are not factoring any monetization in our future plans as of now.
- Gunjan Modi:** My next question was regarding Dubai project. What was the investment capex that we done and what is the profit out of this? We have heard of the cash flows which is coming out. Just wanted to understand the financials of this project?
- Athar Shahab:** So, while Jatin and Alok can talk about the investment, I can tell you that whatever numbers that you are hearing is the share of the profit that Zuari Infracore will get from the project. Alok and Jatin, you may please provide more details.
- Jatin Jain:** Yes. So, Yes, Gunjan.
- Athar Shahab:** And Alok, maybe Alok can speak.
- Alok Banerjee:** Yes. So, since we are a 50% JV partner, our share of the profit, the estimated profit post completion should be around about INR600 odd crores. Which will come and the capital invested was around INR270 to INR275 crores. So that's why it makes up about INR900 crores of cash which will come back to us.
- Gunjan Modi:** Got it. Do we see any currency risk playing out here?
- Alok Banerjee:** No, we actually see the rupee is depreciating to our advantage. And we are monitoring it very closely. We are if necessary we will take forward covers. But since we invested long back, we

are only as a rupee depreciates and all predictions are that the rupee will continue to depreciate. So we are monitoring the market, we don't see currency as a risk.

**Gunjan Modi:** Got it. And any chances of investors backing out given the investment climate in the complete Middle East and UAE?

**Alok Banerjee:** Keeping our fingers crossed. But we don't find anybody actually writing to us so far. And we are bullish that we will -- nobody will back out.

**Gunjan Modi:** That's all from my side. Thank you.

**Moderator:** Thank you. We take the next question from the line of Pahal Sharma from DD Capital. Please go ahead.

**Pahal Sharma:** Yes, hi. Good afternoon. Hello?

**Athar Shahab:** Good afternoon.

**Management:** Hello?

**Pahal Sharma:** Yes, so I set up questions with me. First is that despite achieving a good cane crushing during the year, sugar recovery remained lower Y-o-Y. So like what operational initiative is management undertaking to improve recovery rates in the upcoming season and also how much of this is controllable versus weather or regional factors?

**Athar Shahab:** I would invite my colleague Mr. Alok Saxena, who is our Whole Time Director and Unit Head of the Sugar Power and Ethanol division. Mr. Saxena, would you like to answer that?

**Alok Saxena:** Sure. Thank you. The first of all, I would like to divide this into two parts. One, we have started our operation very early, that is in the last week of October itself. Though we did it last year also, but this time we crushed more cane as compared to last year. And the early part recovery is low, so weighted average is a low. That is one part.

And second is the agro-climatic conditions, it depends mainly on sugar recovery. And if you compare it with our region for other factories also, so we are at the best. The drop is minimum in our case, and our varietal replacement program is doing well. And we have already achieved it a 238 variety, which we are in process of replacing it. So we have achieved it significantly. So we think that we will overcome in time to come.

**Athar Shahab:** So to add to what Mr. Saxena just said, when we did the analysis of nearby units, we found that we had done reasonably well, and we were fourth in the pecking order in a list of about 14 units nearby, which is not a bad performance as far as overall sugar recovery is concerned or whole percentage is concerned.

What are we doing to and how many factors are controllable and non-controllable -- uncontrollable? First of all, I think we all are affected by the climatic risks. We have unseasonal rains, sometimes we have floods. So they are quite uncontrollable, very difficult to predict as well.

Few years ago we had a major problem of red rot disease that impacted the previous crop of 238 variety. And as Mr. Alok Saxena said, we embarked on a multi-year plan to replace that variety with newer and higher-yielding varieties. And the varietal replacement program is such that it takes a lot of time to implement, but we are doing that. And we are doing that by also educating our large farmer community.

So we set up a number of demo plots in our area. And we actually showed to the farmers, what kind of yield they can get from these newer varieties. So, that has gone down quite well with farmers and we expect that these newer varieties will get propagated in larger areas in this season and the next season.

Second is that we are now again relooking at our whole strategy of providing agri inputs and agri implements in a very scientific manner. We are also monitoring these things through our app, which is the Saksham app. Now a large number of our farmers have downloaded this Saksham app. So the process of educating farmers and training them through that app is also going.

We are also organizing some interesting roundtables where we invite cane industry experts from around Uttar Pradesh and all over the country. And we found those discussions to be very beneficial, not only for us but for many units in Uttar Pradesh. So I think these are the things that are in our control, and we are making sure that we do our 100% to improve the things that are in our control, and we remain hopeful that these efforts will bear fruit in times to come.

**Pahal Sharma:**

Understood, sir. So now the company achieved its highest ever capacity utilization this year, which is very great. So like from here onward, would future growth primarily come from operational efficiencies, like or capacity expansion or improved product mix?

**Athar Shahab:**

I think you said it. And I think this definitely we will focus our attention on improving our efficiencies. We have already achieved the maximum capacity utilization as I think we could. Few years ago it appeared very difficult. But I think the team at SPE division has done it and made us really proud. Our focus will now be on looking at what we can do in terms of steam consumption, in terms of our electricity consumption, or even chemical consumption, for instance.

**Alok Saxena:**

Optimize our cost.

**Athar Shahab:**

And as I say and as I speak about chemicals, let me also highlight that the last year has been very difficult and challenging. The chemical prices across the board, they were much higher

than what anybody anticipated. So we will definitely focus on reducing our consumption of chemical, steam, energy. As well as we continue to look for other opportunities, particularly in Uttar Pradesh, and we're looking for another unit to complement the Gobind Sugar Mill in Aira.

**Pahal Sharma:** Understood. And likewise ethanol profitability continues to remain under pressure due to stagnant pricing, right? So like at what level does the current pricing environment start impacting industry-wide capacity expansion plans?

**Alok Saxena:** Right now, we are not having any major expansion plans. Since Zuari has already having a joint venture in Envien. So that is a grain-based ethanol. We are already in process. And as far as sugar is concerned, we are capitalizing our plant by syrup diversion and B-heavy diversion instead of C-heavy.

Though it may be slightly crucial, but it gives us a liquidity. And that's why we are capitalizing our existing plant only as far as presently we are not having any expansion for the ethanol production is concerned. However, with the optimization of the capacity and maximizing, we are trying to maximize the cane crush, which is evident from this year's result as well.

**Athar Shahab:** So let me just add and do a little bit of recap of what we have done in our factory in Aira. We have, A, expanded the capacity to 125 KLPD.

**Alok Saxena:** 100 to 125.

**Athar Shahab:** 100 KLPD to 125 KLPD. We also built in the flexibility to produce ethanol directly from sugar syrup. And since our sugar factory did not produce enough molasses to run the distillery throughout the year, we started buying molasses from outside. And if you see some of our previous year's performance and results.

We have also reported that this opportunistic buying of molasses helped us run the distillery much longer than we could do it earlier. And I have said this in the past, and I repeat that our hope and aspiration is that we run the distillery for 330 days in a year. In fact, last year we have done a fantastic performance. How many days did we run it?

**Alok Saxena:** 316.

**Athar Shahab:** 316 days, which probably was the highest ever performance.

**Alok Saxena:** Yes. And the highest ethanol production of 372.

**Athar Shahab:** Right.

**Alok Saxena:** 372 lakh liters.

**Athar Shahab:** And whatever we have produced, we have sold as far as Zuari Industries is concerned. We have not been short of orders, and we have been supplying to the OMCs. It's only in ZEBPL, which is our joint venture, when it got commissioned, it was expected that the OMCs will come with their second round and third round of tenders as is the norm. In the previous years, they used to come up with second and third rounds of tenders. But we found that those tenders were not coming.

And we also saw, like probably you have also seen, that the overcapacity in the ethanol sector was quite significant. Against the 1,050 crores liters of tender that the OMCs came up with, the bids that came in to OMCs were about 1,800 crores liters. And we understand that now that capacity stands increased to about 2,000 crores liters. So it's almost like a 100% over capacity currently in ethanol.

And all of us have been quite worried about the sector outlook. But then the conflict in West Asia happened, and since then we are seeing a noticeable change in the government. There is a lot of talk going on about increasing ethanol blending. And we have seen some recent notifications of E27, E30, even E85, and E100, I think which are very positive signs.

We have always maintained that ethanol is a very key component of India's energy security, and the government must push higher ethanol production to reduce the reliance on crude imports, as well as, of course, to improve farmer incomes. And we were very happy to see how the Prime Minister himself noted on multiple occasions in recent times, the importance of the role played by ethanol sector in reducing our reliance on crude imports.

So we remain very positive about the long-term outlook. We are dealing at an industry level a problem of overcapacity, but I think as India embraces higher blends and we have vehicles hitting the market, which can actually run on much higher blends, we should see complete dissipation of this excess capacity. And that will be very good for the industry. But till that time, as Mr. Saxena said, we are not looking to expand our capacity, but we hope that our investments would be really worthwhile in the times to come.

**Pahal Sharma:** Okay. Thank you so much.

**Moderator:** Thank you. We take the next question from the line of Amit Mehendale from RoboCapital. Please go ahead.

**Amit Mehendale:** Thank you. My first question is on the Dubai project. I think if I heard it correctly, I think 50% of payout will be done by the buyer at the time of handover, right? So what is the recourse that we have in case some of the buyers back out? Do we have to go to the lands department, and then file, like a case and then take possession of the flat?

**Athar Shahab:** As Mr. Alok Banerjee mentioned earlier in the call, we have had no inquiries or no concerns from any of the buyers. So, that's a very good news that everything seems to be absolutely on

track. And the question is largely theoretical, but nonetheless, I will request Mr. Banerjee to provide an answer to your question.

**Amit Mehendale:** Yes. I mean I'm looking for a recourse like what happens if someone doesn't pay?

**Athar Shahab:** Yes. Alok, can you tell?

**Amit Mehendale:** Will it be original 50?

**Alok Banerjee:** Well, the law, as per RERA in Dubai, allows us to forfeit 40% of the total apartment value and take back the apartment. So if somebody has paid money, we can forfeit 40% of the value and then resell the apartment to a new buyer. That's a law. We don't envisage it, but that's what the recourse is.

**Amit Mehendale:** Right, and that process typically would take about a year for whatever unit it is, I mean if small percentage, even if 5%?

**Alok Banerjee:** Yes. Even if -- well, we don't really know the timeline to be honest, because it can happen -- we just need to go to the land department like you rightly said, and after, of course, trying to negotiate with the customer, maybe the cycle time might be a year, possible. We don't know actually.

**Amit Mehendale:** Right, sir. And second, I just wanted to clarify the debt. I think earlier if I heard it correctly, the guidance was about INR700, INR800 crores of net debt at the end of the year, right? So can you just tell me what is the net debt now, and then how does the math work out, because we'll get INR900 crores from Dubai, and then how does it end up with INR700 crores?

**Jatin Jain:** Yes, Amit. I will take up this question. As on date, we have a total external borrowings of around INR1,900 crores. We are projecting an inflows of around INR850, INR900 crores from Dubai project and inflow of around INR250 crores from our associate company, which will help us in reducing our total overall deleveraging of around INR1,200 crores. So we will be standing at a position of around INR700 crores as at the end of the year.

**Amit Mehendale:** Perfect sir. And my last question is on the GDV, I think on the real estate business. What type of revenue recognition are we looking at for the next two, three years? I mean what type of deliveries, like a pre-sales converting to accounting revenue?

**Athar Shahab:** Alok, you want to answer that question?

**Alok Banerjee:** Yes. So, as you know Amit, in this real estate value chain, the longest time taken is to get all the approvals, and thereafter the RERA approval. So we are a development manager to the developer where we are taking care of the project from concept to delivery, marketing, and sales. And we charge a fee of the top line.

So we expect that the DM mandates that we have, we expect that the revenue recognition is a fee-based recognition. So as we sell, we get a fee as a percentage of the sales value and that is booked as an income. So unlike, let's say, being a developer where the revenue is recognized on project completion method.

Here it is a simple fee method. So we expect that these projects that we have signed up, other than the small ones which are like the Bangalore Plotted Development, which should be over in 18 months, the Hyderabad, Kolkata ones will take about five years for completion, and this revenue of the top line will be recognized over a period of 5 years, based on the sales velocity.

**Amit Mehendale:** Right. So just, I'm just clarifying. So suppose in case we sell a unit of say INR1 crores and our DM rates will be, say, 10%. Then the revenue that we have, which is about INR10, lakhs that is recognized over a period of 5 years till the project is delivered, is that correct?

**Alok Banerjee:** Yes. What happens is -- Yes, it is based on the total -- see projects being large, they are phase-wise completions. So what happens is that as you complete a phase, you recognize the revenue fully. And our revenue is coming from the cash generation, which the customer pays to the developer. So we are getting a portion of the revenue. So our revenue will be split over the construction-linked plan for the customer. So over that period of 3 to 4 years, we'll be getting for each apartment.

**Amit Mehendale:** Understood. And what would be our EBITDA margin on that portion?

**Alok Banerjee:** Typically our -- being a service revenue, typically our EBITDA margins are in the range of about 70% to 75%.

**Amit Mehendale:** Okay, great. Understood. Thank you. That's it from my end.

**Alok Banerjee:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Suhani Singh from Seja Capital. Please go ahead.

**Suhani Singh:** Hi sir, Good afternoon. I just wanted to ask the company has mentioned continued investments in technology and digital transformation. So which businesses are currently seeing the most tangible benefits from these initiatives?

**Athar Shahab:** I think two businesses come to my mind immediately. One is Zuari Finserv, where we expect a technology platform to help us distribute the financial products, much faster and much more efficiently. The second business is Simon India, which is our engineering and construction company, where particularly on the engineering side and procurement.

We are implementing a large number of digital tools, which are allowing us to cut down the cycle time in engineering, and not only cut down the cycle time but also do very efficient

engineering for our clients and efficient procurement. You will be happy to know that Simon India has recently patented a tech tool, copyrighted a tech tool.

So I'm very happy to see that Simon India is developing in-house tech products to improve their own productivity and quality of work. But as I say this, I must say that our sugar division, which is a traditional business, and not really known for too many digital innovations, has done exceedingly well.

And there are a large number of digital tools already implemented in our sugar division. I keep mentioning about the Saksham app through which we connect with thousands of our farmers. We have GPS-enabled trucks and through technology, we monitor all the movement of the cane from 107 centers to the factory. We have handheld devices at each of the centers. So we have excellent visibility of how many tractors, trolleys, and even bullock carts they come to our centers and how much cane is lying at which location, we have very good idea.

We also did a very interesting experiment as far as agri equipment was concerned, is that we created an app, and we allowed farmers to really trade amongst themselves. So it was a very interesting experiment, and I'm very happy to tell you that people made use of that app, and they utilized each other's equipment, very effectively in our command area.

So, very interesting set of possibilities across our businesses. And very happy to share some more use cases. In fact, I would encourage my business heads to actually post some of these stories on their websites so that our investors can become better aware of whatever way we are embedding technologies in our businesses.

**Suhani Singh:**

That's good to know, sir. Also the company continues to maintain strategic investments across multiple listed entities. So how do you evaluate value creation opportunities from this portfolio over the long-term?

**Athar Shahab:**

See, I think these are all legacy investments, as you know, Zuari holds these strategic investments across these entities. So -- and we have no intention of selling or churning these investments. In response to a question earlier, I commented on the performance of some of the underlying investments. They are not only strategic for us, but strategic for the country as well.

Probably you have noted the consolidation of the fertilizer business of the group. A few years ago, we used to have 3 different entities, namely Zuari Agro Chemicals, Mangalore Chemicals, and Paradeep Phosphates. They are now all consolidated under the PPL umbrella. And it's a very formidable franchise in 3 locations, all port-based, a lot of synergies in procurement and sales and production.

So that's the kind of thing that we see. And we, obviously, will continue to hold these investments. We have a smallish shareholding in Chambal Fertilisers, which is also done quite

well, Chambal, and what it does in its facility at Gadepan is quite amazing in the field of urea. So we definitely look forward to holding these investments.

**Suhani Singh:** Okay. Understood, sir. One last question. Can management share its broader vision for the real estate business over the next 3 to 5 years, particularly around the scale of development management portfolio?

**Athar Shahab:** So as I have mentioned in the previous calls is that right now our focus is on growing this development management business. We started it some time ago, and we got some breakthroughs in Hyderabad and in Bangalore. Definitely for the next several quarters, we will stay focused on this investment-light, fee-based model, which is the development management model.

As Alok mentioned, this is a very interesting opportunity for us currently. But 2, 3 years later, when we have deleveraged ourselves and we are in a position to allocate more capital to the real estate business, at that time we will see whether we can even do joint development or even access land banks, if viable and attractive to us. But they're really into the future. At this time, we are firmly focused on development management.

**Suhani Singh:** That helps, sir. Thank you very much, and all the best.

**Moderator:** Thank you. We take the next question from the line of Saumya Raghuvanshi from Nirva Capital. Please go ahead.

**Saumya Raghuvanshi:** Hello. Good evening, sir. Thank you so much for taking my question. Looking ahead to FY '27 and beyond, what are the company's strategic priorities across sugar, ethanol, real estate, engineering, and financial services? And how should investors view expected revenue, EBITDA, and PAT growth along with key operational expansion and deleveraging milestones?

**Athar Shahab:** So we are not presenting a 3-year plan in this call unfortunately. We are talking about largely the performance of the previous quarter as well as the last year, and sharing with you our view of what lies immediately ahead to the best of our ability. On an overall basis, we have mentioned this in the past, and I have no problems in repeating that we are looking for inorganic opportunities in the sugar sector.

Our first priority was to fully optimize our current asset. It is an old asset, we had invested fair bit of capital in that asset, but it was really not optimized. And as you probably noted in the earlier part of the call, we have been -- we have reached a stage where we have reasonably optimized this asset, and a couple of pointers for us going forward is further cost optimization, greater technology deployment, and also looking at maybe profitable product mix in that business. So we will look for inorganic opportunities in sugar.

In ethanol, our future expansion will come in the joint venture, which we have set up. And when we set up ZEBPL, we had said that we want to expand to 1,000 KLPD. But suddenly there were

brakes on ethanol blending and there was tremendous amount of overcapacity in the sector. So in a sense, we have put those expansion plans on hold, and we are first trying to stabilize the investment, which is the 180 KLPD distillery at Lakhimpur that we have set up.

On the real estate side, as I mentioned earlier, we are growing our DM footprint. We are quite well known in the southern part of the country. So you can expect us to do more projects in South India. We are doing two projects in Kolkata, as Mr. Banerjee mentioned earlier. So if we find some more opportunities there, we will take it up.

But going forward, I think 2, 3 years later, as I just mentioned to the previous person, there is always a possibility that like other real estate developers, we could be doing joint developments, we could even be buying an interesting property if it's available. But not immediately. Right now, the idea is to do as many projects in DM as possible.

As regards the Financial Services businesses, they are right now small businesses, profitable but small. And we are trying to grow them. We are trying to use technology, and we see very interesting possibilities in both the businesses, particularly the insurance business. Both these businesses also require investment. And at this point in time, when we are trying to deleverage, I think we have to be very watchful about what kind of investments we make in these entities.

So they will continue to deploy their own profits into their growth for the time being. And once we have kind of deleveraged ourselves, our focus will be on growing the sugar portfolio as well as the real estate portfolio, as I mentioned. So overall, qualitatively, this is the picture that you can think of the group.

**Saumya Raghuvanshi:** Okay. Got it. That's it from my side. Thank you so much.

**Moderator:** Thank you. Ladies and gentlemen, in the interest of time, we take that as a last question. I now hand the conference over to Miss Darshni Desai from MUFG Intime for closing comments.

**Darshni Desai:** Thank you everyone for joining this call. We really appreciate your participation. If you have any further questions, please feel free to reach out to us at MUFG Investor Relations. Thank you.

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