

3 June 2025

To,

BSE Limited

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Dalal Street,
Mumbai - 400 001

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block –G,
Bandra Kurla Complex, Bandra East
Mumbai - 400 051

BSE Scrip Code: 500780

NSE Symbol: ZUARIIND

Sub: Transcript of Earnings Call conducted on 28 May 2025

Dear Sir/ Madam,

In furtherance of our earlier communication dated 23 May 2025 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith Transcript of the Earnings call conducted on 28 May 2025.

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

Thanking you,

For Zuari Industries Limited

Yadvinder Goyal
Company Secretary



“Zuari Industries Limited

Q4 and FY25 Earnings Conference Call”

May 28, 2025



Management: Mr. Athar Shahab – Managing Director –
Zuari Industries Limited
Mr. Nishant Dalal – Chief Financial Officer –
Zuari Industries Limited
Mr. Aashutosh Aggarwal— Lead Strategy—
Zuari Industries Limited
Mr. Yadvinder Goyal – Company Secretary –
Zuari Industries Limited

Moderator: Ms. Darshni Desai – MUFG Intime

Moderator: Ladies and gentlemen, good day and welcome to Zuari Industries Limited Q4 and FY25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Ms. Darshni Desai from MUFG Intime, their Investor Relations. Thank you and over to you Ms. Darshni.

Darshni Desai: Thank you. Good afternoon ladies and gentlemen. Welcome to the Q4 and FY25 Earnings Call of Zuari Industries Limited, our first ever investor conference call. On behalf of Zuari Industries Limited and the Adventz Group, I thank you for joining us. Today's call will cover a brief introduction to Zuari Industries Limited as the apex company of the Adventz Group, highlights of FY25 financial and operational performance, segment-wise business updates and our strategic roadmap for FY26 and beyond.

Before we begin this call, I would like to give a short disclaimer. This call may contain some of the 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 that, let me invite our Managing Director, Mr. Athar Shahab to share his opening remarks. Thank you so much.

Athar Shahab: Thank you, Darshni and hello everyone and good afternoon. On behalf of Zuari Industries Limited, I extend a very warm welcome to all the participants on this call who are here to listen to our Q4 presentation and hear about our FY25 financial results. I am joined on this call by our CFO, Mr. Nishant Dalal, my colleague, Mr. Aashutosh Aggarwal and our Company Secretary, Mr. Yadvinder Goyal.

Since this is the first time, we are hosting an earnings call, I would like to give a short background of our company. Zuari Industries Limited is the apex company of Adventz, which is a diversified conglomerate with a legacy that spans close to six decades. Our journey began in 1967 when the visionary, late Dr. KK Birla, laid the foundation of Zuari Agrochemicals in Goa. Since then, Adventz has evolved into a fairly diversified conglomerate that operates in many important areas which represent the fundamental drivers of the Indian economy.

We have a strong presence in the agri-chemical sector, heavy engineering, lifestyle products, real estate and infrastructure. The valuable contribution of these companies is making a transformational impact on the Indian business scenario. Zuari Industries Limited, which is the apex company of Adventz, operates its businesses through its divisions, subsidiaries and joint ventures.

The biggest division of the company is its sugar, power and ethanol division, which is based in Lakhimpur, Aira in Uttar Pradesh, where we have the facility of crushing 10,000 tons per day of sugarcane. We have a distillery which operates at a capacity of 125 KLPD and we have 22 megawatt of power export capability in that location.

We also have built a very impressive project in Goa called Zuari Rainforest. Through our subsidiary Zuari Infraworld, we have also built a mini-township in Mysore called Zuari Garden City. Right now, this company is developing the St. Regis project in Dubai, as some of you may be aware. We also hold significant land banks in Goa.

The biggest subsidiary of the company is Zuari Infraworld, which operates in the field of real estate. Our engineering and construction company, Simon India, is active in fertilizers and chemical space. Our financial services companies, Zuari FinServ and Zuari Insurance Brokers Private Limited, operate in the field of stockbroking, distribution of financial products and insurance broking, respectively.

Our management services company, ZMSL, provides a range of HR services such as manpower outsourcing, payroll services and now it is increasingly providing business consultancy services. Our trading arms, Zuari International, engages in trading activities and we have a business in furniture called the Indian Furniture Products Limited. Through its JV company, the company is present in businesses such as Bioethanol, which is our 50-50 joint venture with Envien International of Slovakia, and we operate an oil tanking business through a 50-50 joint venture with Adani Ventures in Goa.

In our sugar, power and ethanol division, we are committed to sustainable operation while producing high-quality sugar and generating clean energy. Our integrated SPE plant at Lakhimpur is a cornerstone of this effort. Sugar is the largest contributor which accounts for 69% of our revenue in the previous financial year, which was supported by our 10,000 TCD capacity.

It is followed by ethanol, which contributed to 27% of our revenue and power contributed 4% of our revenues. Our ethanol distillery capacity stands at 125 KLPD and I am happy to report that we have had the highest ever ethanol production of 3.4 crores litres in this financial year.

As I mentioned earlier, we have established a Bioethanol joint venture with Envien International and with them we are building the first grain-based distillery project in Lakhimpur. It is a 180 KLPD bioethanol project with an outlay of about 300 crores.

We expect to operationalise this by the second quarter of this financial year and the plan is to expand the capacity in this joint venture to 1,000 KLPD in the coming years. In our real estate business, we are unlocking strong value for our investors through development of diverse and high potential portfolio.

Our flagship project, St. Regis Financial Centre Road project in Dubai is fully sold out. It is a mega-development, ultra-premium luxury, 232 units. Racing ahead for completion, we are ahead of schedule and we plan to complete it by January 2026. This certainly has given us a lot of confidence and we believe that it has laid the foundation for a significant growth in our real estate portfolio. In Goa, we hold substantial land, close to 400 acres, precisely 381 acres of land which is under monetisation and as and when an opportunity presents, we will be monetising this land in Goa.

As I mentioned earlier, we have already developed a very nice project called Zuari Rainforest which is an example of luxury living offering exquisite villas and apartments amidst very good landscapes. In the Phase 1, 95 units have been completed and Phase 2 is currently under development. Mysore Garden City which is our mini-township project in Mysore, we have developed 629 units which have been sold.

Phase 4 which is a plotted development of 156 units is currently under construction. Let me briefly walk you through our corporate structure. For a deeper dive, I would encourage you to refer to our presentation which has already been circulated. Apart from our divisions and subsidiaries, please note that we maintain strategic investments on behalf of Adventz in three core sectors, agrochemicals, engineering and infrastructure.

Our footprint in agrochemicals has over five decades of expertise and is backed by holdings in Chambal Fertilisers, Zuari Agrochemicals, Mangalore Chemicals and Fertilisers directly and through Zuari Agrochemicals once again into Paradeep Phosphates Limited (PPL) and Mangalore Chemicals and Fertilisers. As you are aware, they are all key players in India's agricultural input space.

In the infrastructure and engineering domain, we are invested through Texmaco Infrastructure and Holdings Limited and Texmaco Rail and Engineering. This gives us exposure to railways and real estate. Also, part of our comprehensive corporate network framework are the strategic ventures we hold across various service sectors. In trading, we operate through Zuari International Limited in Management Services via Zuari Management Services and Engineering Construction through Simon India Limited.

As I mentioned earlier, we are active in oil tanking through Zuari Indian Oil Adani Ventures Private Limited and Nishant will briefly speak about some major development that took place in the last financial year in that project. We have a legacy that is built on strong values and visionary leadership. In the last few years, we have emerged as much more agile, diversified and future-ready than ever before.

We are totally committed to operational excellence, nurturing our strategic investments and following sustainable practices to guide our long-term growth strategy with our history of creating value for our shareholders and our consistent dividend-paying record. I am pleased to announce that the Board of Directors of the company yesterday has approved a final dividend at the rate of 10%, that is INR1 per equity share of INR10 each.

Thank you very much, shareholders and investors, for your support. I now hand it over to our CFO, Mr. Nishant Dalal, to take you through the financials in detail, and I am sure you will find it very interesting and exciting. Over to you, Nishant.

Nishant Dalal:

Thank you, sir. Looking forward, we remain confident in the overall economic outlook, with India's GDP expected to expand robustly by 6.3% in the fiscal year 2025-2026. This growth is not just a number, it reflects the pulse of rural revival, continued government spending and the optimism of our urban markets.

And as Zuari Industries, with our integrated presence across sugar, power, ethanol and real estate, and through our core business as well as presence in key sectors like chemicals, infrastructure and engineering through strategic investments and ventures, we stand right at the heart of this transformative journey.

Now, on the sugar sector, if we look at while the overall production of sugar in the country is slightly lower this year, we believe it is a strategic shift, not a setback. India's sugar production for the sugar season 2024-2025 is estimated at 29.6 million tons at the gross level, and we expect that nearly 3.4 million tons of sugar is being diverted towards ethanol production, which we are witnessing as a purposeful pivot towards energy security and sustainability.

Now, the government's push towards a 30% ethanol blending target by 2030 has injected fresh momentum into the sector after reaching the 20% mark in April 2025. On the real estate front, while the overall housing sales in India's major cities saw a moderation in volume, a deeper story emerges.

The luxury and premium housing segments have surged forward with year-on-year growth of nearly 28% in the high-end homes. This signals growing consumer aspirations, and our projects are built to meet them with quality, sustainability and impact.

Now, I will take you through the financial performance for the quarter and year ended 31st March, 2025. Now, in the quarter 4 of FY25, we reported a revenue from operations of INR243.9 crores, which is nearly 4% higher as compared to previous year's same quarter, that is Q4. And the total income has increased to INR258.6 crores, which is a nearly 2% increase compared to the same quarter for the last year.

Now, these numbers may look modest, but these numbers are having an underlying story wherein we may see that the revenue from operations, our sugar division has performed exceptionally well, and SPE division has contributed nearly INR98 crores of incremental revenue to this total of INR259 crores of our revenue.

While there is a setback of nearly INR92 crores on account of our real estate and investment part, but sugar has performed exceptionally well. Even on a full year basis if we talk about, so, the total revenue from operations for full year stand at nearly INR871 crore, which is an impressive growth of 22% year-on-year. And the total income also for FY25 is at INR980 crores nearly, achieving a nearly 9% annual increase.

Now, the same story is even applicable for the whole year. When we talk about this total revenue of INR980 crores for the whole year, the sugar division has added nearly INR254 crores of incremental revenue in this INR980 crores as compared to previous year. And of course, we have a kind of, you can say, less revenue in our real estate and investment part.

On the performance, on the profitability side, if we look at, so our operational EBITDA for quarter 4 is at nearly INR49.9 crores, wherein the operating EBITDA margins are nearly 20%. And the PBT is nearly INR27.6 crores, which is a PBT margin of INR10.7 crores. These numbers actually are the operational performance is greatly driven by the performance of our sugar business.

Even for the whole year, if we discuss, the operational EBITDA has risen to nearly INR70 crores, which is a robust 42% growth year-on-year with a margin of 8.2%. And the PBT has reached INR31.8 crore, reflecting a margin of 3.2% before the exceptional item.

Now, the company has reported a PAT of INR9.1 crores in Q4 FY25 with a PAT margin of nearly 3.5%. And for FY25, the total recorded net loss is nearly around INR37.4 crore. Now, there is an issue which is coming in the form of our exceptional item, which is the impairment, which we have to take on our investments in the furniture business. And I believe now, probably going forward, there will not be much impact because we have more or less taken into account the impairments which we had to take care of on account of these exceptional items.

Now, this strong performance was fuelled by our robust growth across our core segments, as I already highlighted in SPE division, and complemented by our solid contributions from subsidiaries and joint ventures. As a segment, if we look at the consoles of Zuari industries, SPE continues to dominate it and it has shown a considerable exceptional performance. Our sugar sales have surged to nearly INR604 crores, which is a year-on-year increase of 47%.

And we have achieved the highest ever sugarcane crushing in FY25 of nearly INR157 lakh quintals, which is a rise of 11% from the previous year. This is in a background wherein if we look at the overall sugar industry performance, there has been much lesser cane production which has happened across the whole of the country, wherein our company has been able to improve this sugarcane crushing by nearly 11%.

We have produced 14.8 lakh quintals of sugar, as compared to previous year, it is higher by nearly 0.5 lakh quintals. And we have improved our sugar recovery to 10.61%, which also is much higher than the previous year. Our power exports also have risen by 40% to nearly INR9.1 crore units, which have generated nearly INR37.3 crores of revenue on the power segment.

And when we discuss about our ethanol sales, there is a tremendous improvement in our ethanol business performance, wherein ethanol sales have reached to INR226.2 crores, and an increase of nearly 40% year-on-year. Now, these strong results reflect the impact of our continued focus on cane development, achieving operational efficiencies, strategic planning and the digital initiatives.

In real estate, our land monetization efforts have been impacted by the regulatory uncertainties in the state of Goa. However, on operational project performance, Zuari Infracore, the real estate arm or subsidiary of the company, we have achieved a full sell-out of our St. Regis Residences project in Dubai and transitioned to an asset-light model with new development management mandates being signed in Hyderabad and Kolkata.

The engineering company of the group, Simon India Ltd, have reported INR15.4 crore in revenue and is preparing to scale its presence in fertilizer and chemical space. Our financial services arm, Zuari Finserv Ltd and Zuari Insurance Brokers Ltd, they have posted revenue growth of 17% and 22% respectively.

Now, Zuari Management Services, which expanded its business advisory portfolio, successfully delivering a market entry strategy for a UK-based client. And meanwhile, the oil tanking joint

venture of the company has renewed its service agreement with oil marketing companies, incorporating a revised fee structure which will enable long overdue infrastructure updates for that business.

Now, as we look ahead, our focus remains clear to transform, nurture and achieve sustainable growth. We are committed to driving business and operational excellence, de-leveraging through strategic asset monetization and investing in high-growth areas with discipline.

By embracing digital technologies and continuing to attract and nurture top talent, we are building a more agile, innovative and future-ready organisation. With a strong foundation and a clear vision, we are well positioned to deliver long-term value. Thank you. Darshni, I think we are now open for Q &A session.

Athar Shahab:

Before you invite, let me just reiterate and highlight a few things about what Nishant said. The SPE performance in FY25 has been truly outstanding. The revenue has grown from INR613 crores to INR870 crores, which is a 42 % increase. We have achieved the highest ever crushing of 157 lakh quintals in a financial year.

We also achieved the highest ever per day crush, which is 1.09 lakh quintals. It is an all-time record. We have the highest ever ethanol production, which is up by 24% compared to last year, and our distillery operated for 288 days, which is 60 days higher than the previous year. Our sugar sales are up by 42%, realisation up by 4% and power exports are up by 40%.

So, I think which is the main business of the standalone companies Zuari Industries the SPE division has recorded a fantastic performance and you have to see that in the context of the performance of peer group in Uttar Pradesh as well as the wider country.

And I think we owe it to a lot of hard work that has gone into this business over the last three years. We have been working, as Nishant mentioned, on a cane excellence program, on an operational excellence program, on a large number of digital initiatives. So, under these broad umbrellas, we have a series of initiatives and programs and projects which have enabled us.

I would like to talk about particularly the varietal replacement program that has given us rich dividends. We have applied scientific tools and techniques to address this issue of varietal replacement. We are connecting with academia, we are bringing in top quality experts to the table and I think in that sense this business has done very well and we hope that it will do better in the future.

The other subsidiaries also that Nishant spoke about, they have also done well and particularly the real estate company has done quite well. Simon India is now back in action and booking orders very active in its core area of fertilisers and chemicals. The financial services companies have both recorded robust growth in top line. And the grain-based distillery project with Envien is very much on track for completion later this year.

So, overall, it has been a very good year. I think we have had some very good success also in the reduction of our finance cost, Nishant. We have achieved a significant reduction in finance cost, you have refinanced several high-cost loans, you have brought down your average cost of

borrowing significantly. So, very good performance overall this year. Happy to take questions now from participants.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Yashi James from NM Capital. Please go ahead.

Yashi James: Hello, sir. So, it can be observed that Zuari Industries operates a highly diversified portfolio. Therefore, how do you evaluate the performance of each segment or location? And is there any plan to divest or scale down non-core or underperforming verticals?

Athar Shahab: I think this is an oft-repeated question to us. We see the portfolio as pretty simple and straightforward. We have our core business, which is sugar, power and ethanol. And you have some subsidiaries that we operate and then we have strategic investments. The value of strategic investments is pretty straightforward. They are all listed entities and you have a very good sense of their current value.

Every quarter and every year we report the financial performance of our SPE division as well as all the subsidiaries. And I think it's very easy for anyone to sit down and have a sense of how to go about valuing this business. As far as reorganizing, restructuring is concerned, I have said this earlier and I repeat that we are constantly evolving. We merged Govind Sugar Mills into Zuari Industries. We had a company called Zuari Sugar and Power Limited that also stands merged with Zuari Industries.

On the fertilizer side, as you are aware, there is consolidation going on as PPL and MCFL have announced their merger. So, there is a move to evolve and strengthen and consolidate. But there are businesses that will require time for nurturing. We are very long on real estate. We are very long on Simon India, which is our engineering and construction company.

And I think you will see a lot of focus in these two areas in the coming years. And eventually, when they reach a certain size and scale, then we'll see what has to be done with them. Right now, we are doubling down on these two businesses.

Yashi James: Okay, sir. I have one more question. The SPE division reported its highest ever sugar cane crushing of 157 lakh quintals and a 47% rise in sugar revenue. So therefore, what specific operational or agronomic improvements draw this performance? And can it be sustained or scaled up in the coming FY26?

Athar Shahab: So, at this point in time, I would like to invite my colleague, Aashutosh, to dwell a little deeper on various initiatives that we are implementing at the SPE division. Over to you, Aashutosh.

Aashutosh Aggarwal: So, the performance that you see on highest ever cane crushed, which is 157 lakh quintals for the last financial year FY25, is based on the multiple aspects of operational excellence and cane excellence programs that we have driven in the sugar power ethanol division. And this is an effort of over the last three years, as sir was mentioning.

So, what we are doing right now in SPE division was first step that we undertook was varietal replacement program, wherein we had diversified the number of varieties of cane crops, which

were earlier, about six or seven to 15. So, this has helped us in actually mitigating the climate risks, as well as enhancing our pollen cane and sugar productivity, sugar cane productivity.

The second aspect that we had done so far is running the cane excellence program by first adopting the demo plots. And we last year adopted 55 plots, wherein we demonstrated the best agronomic practices for plantation of sugar cane, along with training of the farmers, with the experts from the industry, from the scientists, as well as interaction with the industry on continuous basis, we monitored them. And basis on those practices, the farmers had adopted at a large scale, those good practices of implementation of fertilizer, soil testing report, calendarization of their old agronomic activities. The third aspect...

Athar Shahab:

And this year, we are going to take up 250 plots.

Aashutosh Aggarwal:

This year, we are going to take 250 plots. The third thing that has yielded this result is implementation of our Saksham app. So Saksham app, what we have done is we have geo-fenced the cane performance of our sugar cane farmers to their own fields. And we invite them to report all their cane diseases, log their complaints, log their, let's say, requests, wherein they can monitor what is to be done when.

So this has helped us in improving the productivity of the overall sugar cane fields and yards. Fourth part that we improved upon is reducing the downtime of our milling section, which has been done by the plant team. They have optimized all the equipments.

Athar Shahab:

So before you go to the plant operations, Aashutosh, let me just highlight the, what we are exactly doing on the cane side, on the cane excellence program. So ladies and gentlemen, every now and then the government will suggest some recommended varieties which are implemented in the state of Uttar Pradesh. What we have done is that we have tried to do it in a scientific manner.

There is aggressive soil testing going on. And we are trying to map the variety with the soil type, with the location, whether it is an upland or a lowland, which is prone to flooding, etcetera, etcetera. So, what was done till yesterday by Gutfield or Hunch is now done by a somewhat scientific approach. And I can't say that we got it right a 100%, but I think it's definitely...

So, what I was telling you was that we have put a method to the varietal replacement and over the last three years, we have applied this method and it is going to yield very good results as far as cane development is concerned. A very important part of that is also establishing a strong connect with research institutions and bringing leading scientists to work alongside our cane development professionals.

It is in this context that we have recently signed an MOU with ICAR Research Center, which is focusing exclusively on sugar cane research. And we will be bringing in cutting edge research from the laboratories to the fields of Lakhimpur as part of this effort. On the operational excellence side, I think we were very focused on two things, minimizing downtime and improving the productivity.

So this year, the year that we completed, we brought down the downtime from over 5% to just about 3%, which is a significant improvement in milling operations. I also mentioned that we achieved the highest ever crushing rate and we went right up to 1.09. Our rated capacity is 1 lakh ton per day, 1 lakh quintal per day, but we achieved 1.09 lakh in a particular day. So we are very confident of our capabilities there.

I also mentioned about the increase in productivity of our distillery. A few years ago, the distillery was operating at about 180 days, but last year we have taken it to 288 days. The aspiration is to go even higher and in all aspects, which is whether it is the sugar plant or the distillery or the production unit, I think, or the power unit, everywhere you will see much better and greater utilization of the asset. And there, as far as the plant is concerned, again, we are bringing in much better O&M practices and not necessarily from the sugar sector.

We have invited experts from outside the sugar sector who bring in a fresh perspective. Again, top quality practices which are prevalent in high-tech industries that are being brought to bear on the sugar business. So again, we hope to see that our downtime, our productivity, production quality, everything will continue to improve.

Moderator: Yashi, does that answer your question?

Yashi James: Sir, thank you.

Moderator: Thank you. The next question is from the line of Aman Agarwal from Bizaay Venture. Please go ahead.

Aman Agarwal: Hello, sir. My question is, how does the planned redemption of the preferential impact the capital structure? And additionally, given the company's significant investments and apparent some undervaluation, is management considering buyback to unlock shareholder value?

Nishant Dalal: Now, the planned redemption preference capital of the company that was issued to the shareholder as a part of the merger of our Govind sugar mills with Zuari Industries in 2022. And as a part of the same, there was a fixed tenure for which the preference capital was issued. And the 10.5% rate carrying pref capital is due for redemption on 16th of June. And as a part of the same, it is the capital is being redeemed.

Value-wise, this capital is very small capital for us. And it doesn't change much with the, you can say, the company's capital structure or the reserves. Now, I think your second part of your query was? Buyback.

Aman Agarwal: Yes, sir.

Nishant Dalal: On the share buyback. So now, to unlock the value of the shareholders, we, as of now, we have no such plans for coming out with a share buyback plan. We are more focused, as on day-to-day, we talk about on our three core aspects, which is nurturing and growing the business in our three core important areas of our sugar, real estate and bio energy venture.

And the second important part is on the, our de-leverage exercise, wherein we are working on monetization of the assets, or getting money back from the investment and de-leverage reduce our debt levels. These are the two factors on which we are right now focused.

Aman Agarwal: Okay, sir. Thank you so much.

Moderator: The next question is from the line of Manish from Prayas Securities. Please go ahead.

Manish: Hi, just would like to know, how much money we have invested in Dubai as an equity and as a debt? And when did we invest? And what is the return on equity on capital we are expecting? As you said, the complete project has been sold off.

Nishant Dalal: See, so in Dubai, our investments is to the tune of I believe in current days market value, if we talk about this is somewhere around INR450 crores to INR500 crores. And we have invested this amount in the Dubai project over a span of I will say nearly last seven, eight years. It started probably I think in 2017. And today if we talk about the project is fully sold as well as it is nearing completion.

We hope that the project will be you can say fully handed over to the buyers before the end of this financial year. And I think as per the norms of the you can say Dubai RERA, we can then repatriate back our profits and the capital, which also then accordingly is expected that by before the end of this financial year, we should be able to get back.

And I think the kind of return on capital which we expect from there, probably you may need to calculate that we hope we will get somewhere around nearly 750 to 800 crores of the money which we have invested should come back to us.

Manish: So, when this will get reflected in our books, that is in results?

Nishant Dalal: In this financial year, I think we should get back this investment.

Manish: So around INR400 crores of profits we are expecting on account of Dubai project, right?

Nishant Dalal: Right.

Manish: Thank you.

Moderator: Thank you. The next question is on the line of Sahil Vora from M&S Associates. Please go ahead.

Sahil Vora: Hello, sir. Good afternoon. Thank you for the opportunity. Sir I have a couple of questions. My first question is the real estate revenue declined significantly to around 32.9 crores from 175.7 crores in FY24. I wanted to understand was this purely due to regulatory uncertainty in Goa or were there any other contributing factors? And so additionally, how do you foresee this trend changing in FY26?

Nishant Dalal: Okay, see, we can say it was purely due to regulatory uncertainty in the sense that if we look at FY24, our revenue breakup. So in our real estate part, if we look at there was a part of, there

were considerable land sales which had happened in FY24 to the tune of their contribution to our top line was nearly 106 crores in FY24. Similarly, there were certain land sales which happened in FY24 and there the land sale was a part of our PPE. So, the profit on sale of that land sale came in our other income to the extent of nearly 61 crores. So that is you can say the real estate part of FY24.

Now in this year, other than our regular income from our rental properties and all that, and very few of you can say, I will say in fact, hardly nearly 2.58 crores of land sale is recognized in this year. So that is the biggest differentiating factor behind poor, you can say, or not so good performance of real estate division as a whole. And for FY26, if we talk about now these regulatory challenges we are facing, and we believe that probably the land monetization through upfront sale, which we were expecting in FY25, it may get delayed.

Athar Shahab: On this note, I would like to also add that you have to treat this land monetization as a one-off effort. And I think all those who are looking at our standalone performance, kindly take a look at the SPE division, which is a sustained operation that will continue year after year. But the land part will be opportunistic. I think if I recollect correctly, Nishant, we have sold land worth about 400 crores.

Nishant Dalal: In our last three to four years.

Athar Shahab: Three to four years, right. And there is still land, about 381 acres of land with the company. As and when an opportunity presents itself, the company will be selling land in small parcels or even larger parcels. Right now, there is some regulatory uncertainty going on as far as the circle rates are concerned.

And nobody can put a finger and say, when will it get resolved. But as and when it gets resolved, and there is an opportunity, then of course, we should definitely look at that very favorably. So that's the input I would like to give to all the analysts who are looking at our company.

Sahil Vora: Thank you, sir. So given the circle rate uncertainty, are there negotiations going on with local authorities or are there adjustments being done to the pricing strategies?

Athar Shahab: So, I really cannot comment on that, because this is something which is taken by real estate developers in that state. We are not a real estate developer. In that sense, we are a large landowner. And I think it's a matter between the developers largely and the government. And they must be representing and taking it up.

Sahil Vora: Okay, sir. Thank you so much and all the very best. Thank you.

Moderator: Thank you. The next question is from the line of Varun Mishra from SK Investments. Please go ahead.

Varun Mishra: Hi, thank you, sir. So I had a couple of questions, sir. So, like we have seen revenue growth of 22% on a standalone basis. So, I just wanted to understand what are the key contributors, like, if you could break down, that would be great.

Nishant Dalal:

Okay, see, then I think probably part of this is already in our Investor presentation. But I will just clarify to you. If we look at, you can say our total revenue for FY25. So, we are proposing revenue from operation of nearly INR871 crores, of which our sugar alone is contributing nearly INR866 and the real estate is only INR5 crores.

And in that INR866 crores also, if we talk about, then the sugar business means consists of three pies, which are sugar, power and ethanol, of which sugar is contributing nearly INR602 crores, power INR37 crores and ethanol of INR226 crores. Hope this answers your query.

Varun Mishra:

Sir, I just wanted to understand about other business segments like related to real estate and everything, how it has been going on. So could you throw some light on that?

Athar Shahab:

I think we have already touched upon the real estate part. In real estate part, there is one part, if you look at our consolidated results, that includes the sale of land that we do in the holding company or Zuari industries, and the business that our subsidiary does in property development.

So, as Nishant pointed out, as a parent company, this year, we have not been able to monetise our land because of the regulatory uncertainties in Goa. But the real estate company that we have has raced ahead to complete its project in Goa, which is the St. Regis Financial Center Road project in the heart of Dubai. That has done a fantastic performance. It is ahead of schedule, it is fully sold out, and it should return a substantial amount of money as profit to the real estate company.

Now, in Mysore Garden City, they have been selling plotted developments. I think 54% of the plots have been booked out of the 156 units on sale. And more recently, they have been awarded two interesting development management mandates. What does it mean? What it means is that we do not have to invest in land or give any kind of security or any advance payment to anybody.

But somebody who has the land and wants to develop, but wants to take advantage of our brand name, as well as our capability to conceptualize a project, to develop the product, to handle the sales and marketing, the CRM, project management, they can hire us as their development managers.

And for a fee, which is linked to the top line of the project, we are happy to provide those services. So it is in this context that we have signed up with a developer in Hyderabad, and it's called the Gangotri, Zuari Gangotri Tribhuj project, the branded project now, which is currently under development. And our own company group, one of the companies in Adventz, which is Texmaco Rail and Engineering, they had 11.8 acres land in Kolkata.

They have also entrusted Zuari Infraworld, our real estate company, to develop a school-based or school-oriented development. It will probably have a school and residential units in the same campus. And I see this is very interesting, and as Nishant mentioned, so what Zuari Infraworld will do, we'll probably look at the land banks that various entities in Adventz have, and develop them.

And B, it will reach out to people who want a brand and who want services, and provide those services at a fee. And I think this is extremely important to push forth in this direction, and that's

the strategy that we have set for that business, which is very asset-light, and very good ROE, actually, on this business.

Varun Mishra:

All right, so that was a very detailed answer. Thank you, sir, for that. Last question, any guidance, sir, for the future that would help, sir?

Athar Shahab:

I don't think we are providing any guidance. There was a question around whether the growth in sugar is sustainable. All that I can tell you is that we are very focused on improving our operational performance, and cane excellence, and digital initiatives. In fact, the digital initiatives that we have launched in our sugar business have become a benchmark and a role model for the rest of the sugar industry. And there's a lot of interest in Uttar Pradesh as to what is it that we have done. Aashutosh briefly spoke about the Saksham app, but there are many others that we have implemented.

So, we will continue to work in cane excellence, in operational excellence, in digital initiative, in SPE division, and I hope that we should not only sustain but improve the operations. On the real estate monetization side, as Nishant said, as and when there is clarity on the regulatory front in Goa, we certainly will try and monetise our land parcels. As far as our subsidiaries are concerned, as I said, our company, Zuari Infraworld, which is a real estate company, has already pivoted to an asset-light model and a DM model.

It has already booked two mandates, and hopefully they should bag more. And that will be the way forward for that business. Our engineering construction company has shown remarkable progress in the last year, and they have got orders from fertilizer companies. I expect them to do very well in the coming years. I am very, very bullish on the prospects of Simon India.

It's a company with a great track record. It has done projects around the world. It has deep technical knowledge and expertise. And I think in this new age of technology, I think it can leapfrog into becoming truly a tech-enabled engineering and construction services provider.

So, I am very bullish. As I am bullish on the prospects of our bioethanol business, India has made great strides in blending ethanol, and we are seeing the rising graph. In the month of April, we touched 19.7%, and we expect to grow it to 30%. And I think we are setting up this 180 KLPD distillery in Uttar Pradesh. And I have said this earlier and I repeat, the idea is to grow to a portfolio of 1,000 KLPD. And that's a space which will only see large long-term players in the future.

And I think a lot of people will have to make way for strong, solid players. We are together with the largest player in biofuels in Europe. I think it's a solid partnership that we have forged with them, and we'll continue to stay invested and grow our portfolio in bioethanol.

So, I think with the sugar division, with the opportunity in real estate, Simon India, bioethanol, and our strategic investment portfolio, which has done very well, thankfully. I think Zuari Industries is poised quite well, and I continue to look forward to the support of the analyst community, the investor community, and the shareholders.

Varun Mishra:

Thank you so much, sir. Thank you, and all the best, sir.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today's conference call. I now hand the conference over to the management for their closing comments.

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

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