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**February 18, 2025**

**BSE Limited**
1st Floor, New Trading Ring,
Rotunda Building,
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Mumbai – 400 001.
**Scrip Code: 500125**

**National Stock Exchange of India Limited**
Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051.
**EIDPARRY**

Dear Sir/ Madam,

**Subject: Transcript of Conference Call for Analysts and Investors for unaudited Financial Results for the quarter/nine months ended December 31, 2024**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith submit the transcript for the con-call held on Wednesday, February 12, 2025, on the unaudited financial results for the quarter/nine months ended December 31, 2024.

We request you to kindly take the above information on record.

Thanking you

Yours faithfully
For **E.I.D.- PARRY (INDIA) LIMITED**

BISWA MOHAN RATH
Digitally signed by BISWA MOHAN RATH
Date: 2025.02.18 17:12:50 +05'30'

**Biswa Mohan Rath**
**Company Secretary**

**Encl: As above**

murugappa

# "E.I.D.- Parry (India) Limited
# Q3 FY'25 Earnings Conference Call"
# February 12, 2025

**MANAGEMENT:** **MR. MUTHIAH MURUGAPPAN -- WHOLE TIME DIRECTOR – E.I.D.- PARRY (INDIA) LIMITED**
**MR. SURESH KANNAN – WHOLE TIME DIRECTOR -- PARRY REFINERY – E.I.D.- PARRY (INDIA) LIMITED**
**MR. ABDUL HAKEEM ASHIQ - CHIEF OPERATING OFFICER, SUGAR AND BIOFUEL – E.I.D.- PARRY (INDIA) LIMITED**
**MR. BALAJI PRAKASH – CHIEF OPERATING OFFICER, CONSUMER PRODUCTS GROUP – E.I.D.- PARRY (INDIA) LIMITED**
**MR. Y. VENKATESHWARLU – CHIEF FINANCIAL OFFICER – E.I.D.- PARRY (INDIA) LIMITED**
**MR. BISWA MOHAN RATH – COMPANY SECRETARY – E.I.D.- PARRY (INDIA) LIMITED**

**MODERATOR:** **MR. SANJAY MANYAL – DAM CAPITAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q3 FY '25 Earnings Conference Call of E.I.D.- Parry (India) Limited hosted by DAM Capital Advisors. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sanjay Manyal from DAM Capital Advisors. Thank you, and over to you, sir.

**Sanjay Manyal:** Hello, everyone, and a warm welcome on behalf of DAM Capital to the Q3 FY '25 earnings call of E.I.D.- Parry (India) Limited. We thank EID Parry's management for giving us this opportunity to host this call. On the call today, we have with us Mr. Muthiah Murugappan, Whole-Time Director; and other senior management team of EID Parry.

I hand over the call to the management for the opening remarks, followed by the question-and-answer session. Thank you, and over to you, sir.

**Muthiah Murugappan:** Thank you, Sanjay, and good morning, everyone. It gives me great immense pleasure to be part of the Q3 FY 25 earnings call. I'll start with an update business and then hand over to my colleague, Venkat, who will take you through the operating and financial performance. You will also note that our quarterly investor presentation has been uploaded online as of yesterday.

In terms of the global scenario, the global sugar supply and demand deficit for 24-25 season has widened to about 2 million metric tons (MMT), primarily driven by production cuts in Asia and Mexico, which contributed approximately 1.4 MMT to the shortfall. As of December, Mexico sugar production for 24-25 season has reached its lowest recorded level, largely due to delayed harvesting caused by wet weather in November.

In Brazil, sugar production stood at about 39.78 MMT, as of mid-December, reflecting a 4.75% decline compared to the previous year. Russia also reported lower production with total output now estimated at 6.17 MMT due to reduced yield. Meanwhile, Guatemala's production for 24-25 season is estimated at 2.7 MMT, representing a 2% decline from initial projection, primarily due to a delayed harvest start and excessive rainfall.

Global trade flow surplus for 24-25 season has increased to 1.5 MMT while the projected deficit for 25-26 season has expanded to 1.55 MMT. In the first quarter of 2025, the raw sugar market remains balanced, whereas growing surplus in white sugar may exert downward pressure on prices. For the 25-26 season, trade flow deficit has widened, as lower exports from Pakistan have offset production gains in Brazil and Ukraine, coupled with reduced imports from Iran.

The white sugar premium closed at $92.91 per metric ton in January 2025 marking it at the highest level since August 2024 ahead of the March contract expiry. The Indian scenario. ISMA, Indian Sugar Mills Association has revised its sugar production estimate for the 24-25season to 30.25 MMT, a decline from 34 MMT in the previous season. A further reduction in sugar production is anticipated due to lower sugarcane yields in key sugarcane growing states such as

UP, Maharashtra and Karnataka, attributing to factors such as red dot infestation, varietal changes and early flowering.

The estimated diversion for ethanol remains at 3.75 MMT. Domestic consumption is projected at 28 million tons, while exports are expected to reach about 1 million tons, as per the recent export permissions given by the government. With closing stocks are now being expected at about or estimated at about 6.4 million metric tons, as of January 31st , sugar production stood at 16.5 million metric tons compared to 18.72 million metric tons during the same period in the previous year. Despite the lower production, government has given us 1 million metric tons of export.

Under the Ethanol Blended Programme (EBP), ethanol blending has increased to over 670 crores litres in ethanol supply year 23-24, achieving an approximate blending percentage of 14.6%. Additionally, there has been a marginal increase in ethanol prices derived from C molasses. We don't have any clarity or visibility on increase in ethanol prices from any other feedstocks.

I'll now hand over to Venkat to take you through the operating and financial parameters of the business for the last quarter.

**Y. Venkateshwarlu:** Thank you, Muthu, and good morning to all participants. It's a great pleasure to be part of the earnings call and I will share the key information of the operational and financial performance of the company. I'd like to start with the operating parameters of each of the segments.

As far as the sugar is concerned...

**Moderator:** Sorry to interrupt, sir, there seems to be a lot of background noise. If you could come a little closer to the microphone, that would help.

**Y. Venkateshwarlu:** Yes. Is it fine Sanjay?

**Moderator:** Yes, it's perfect.

**Y. Venkateshwarlu:** Yes. Okay. So as far as the sugar operation is concerned, the crushing operations in Karnataka is in full fledge, as per the plan -- as per the permission given by the government and AP also as per the plan, which we have crushed and about 50 to 55 days, we operated in Karnataka and AP together. So as far as the crushing is concerned, we crushed about 12.7 lakh metric tons during the quarter against the 17.8 lakhs metric tons in corresponding quarter of the previous year.

These cane operations -- Tamil Nadu operations have been shifted from Q3 to the Q4. So as far as the recovery is concerned, the recovery is 10.78 for the current quarter against the 10.14 of the corresponding quarter of the previous year.

As far as the sugar production is concerned, we produced about 1.08 lakh metric tons during the quarter, against the 1.5 lakh metric tons of the corresponding quarter of the previous year. The overall cane landed cost is at INR 3,899 per metric ton, as against the INR 3,543 per metric ton of the corresponding previous quarter of the previous year. The main increase is only the due to FRP impact. It is from 3,152 to 3,400 for the current sugar season.

As far as the sale volume is concerned, we sold about 1,11,000 metric tons during the current quarter. Corresponding previous quarter as well, almost like we sold about 1,10,000 lakh metric tons.

As far as the average selling realization is concerned, for the current quarter, it is INR 38.31 per kg, as against INR 38.70 per kg of the corresponding quarter of the previous year. We have carried about 1.3 lakh metric tons of the closing stock. They are valued at INR 37.

Revenue from sugar is about INR 392 crores, as against the previous period of INR 435 crores. The reduction is mainly on account of release quota and main focus on the retail segment. All FRPs were paid, as per the timeline.

As far as the consumer product group or CPG division is concerned, we have achieved about INR236 crores turnover. This includes INR87 crores of the staple -- branded staple business during the quarter, as against INR137 crores of the corresponding quarter of the previous year, registering a growth of over 70+% overall -- overall growth in the CPG segment.

As far as the cogen is concerned, we generated about 954 lakhs units, as against 1,366 lakh units in the corresponding period of the previous year. We have exported about 503 lakh units, as against 677 lakh units in the corresponding period of the previous year.

As far as the power tariff is concerned, the current quarter is at INR3.98 per unit as against INR4.91 per unit in the corresponding period of the previous year. As far as the revenue is concerned, the current quarter is about INR41 crores, as against INR61 crores in the corresponding period of the previous year.

As far as the distillery segment is concerned, we sold about 422 lakh litres, as against the previous period of 273 lakhs litres, of which ENA we sold about 118 lakh liters, against 114 lakh litres in the corresponding period. As far as ethanol is concerned, we sold 304 lakh litres. Previous year -- for the same period, it was 159 lakh litres.

Price realization is good because in the current quarter the average price realization is at INR 65.83 per litre, as against previous year realization INR 62.82. As far as the revenue is concerned, current quarter we sold about INR 290 crores, as against INR 177 crores during the corresponding period of the previous year.

As far as the Nutra division is concerned, Indian operations have achieved about INR 12 crores turnover, as against INR 8 crores in the previous year. At the consolidated level, the Nutra business was INR 43 crores against corresponding previous period, which was about INR 47 crores.

As far as the refinery operation is concerned, operational revenue for the current Q3 was INR 915 crores. The same previous corresponding period was about INR 1,597 crores.

The loss for the quarter is about INR18 crores. The same Q3 23-24 is profit was about INR17 crores.

Refined sugar production for the current quarter is at 2.05 lakh metric tons, as against the previous period of 1.96 lakh metric tons. Refined sugar sales quantity is about 1.87 lakh metric tons, as against Q3 of 2.7 lakh metric tons in the previous period. ICD from EID remains at the same level of previous year. Our external borrowing is at INR532 crores, as against INR9 crores.

As far as the operational performance is concerned, the quarter-on-quarter sales is 1.87 lakh metric tons as against 2.76 lakh metric tons, revenue INR915 crores, as against INR1,597 crores. EBITDA we are at INR6 crores positive, as against INR37 crores. As far as the EBIT is concerned, INR5 crores negative, as against INR26 crores positive. PBT INR18 crores is a negative, as against INR17 crores.

These are the financial performance and operating performance for EID Parry. The floor is open for the questions.

**Moderator:** Thank you, sir. The first question comes from the line of Manish Beria, an Individual Investor.

**Manish Beria:** So I wanted to ask about the capital allocation policy of EID Parry. So Coromandel stake provides the most economic value for the EID Parry. So in that sense, if I look at your last 10 years, so whatever dividend we have received from the Coromandel stake, that has not been fully passed on. I mean, I understand that some money was needed to support the sugar business?

So my question is like to see -- from when do you think that the sugar business will become independent enough that it can fund its own need and become cash flow positive and things like that? And can we reach a point in sometime in the medium-term, where we can be able to pass-on fully whatever dividend we received from the Coromandel stake? So just on the capital allocation policy here. Thank you.

**Muthiah Murugappan:** Manish, this is Muthu here. Thank you for your question. You're right, there's been perhaps very little pass-through of the dividend in over the last 10 years. We have obviously passed on in recent years, as we've reported better profits in the recent past. We have passed on some of those tranches of dividend. I guess when the standalone business is loss making, it was difficult to pass-on that dividend.

The aspiration, of course, remains to strengthen the standalone business and pass the dividends on. The current phase is a tough phase, as you've seen from the results. Our presence in three states in the standalone business is bit of a drag, especially from AP and TN, wherein we've seen challenges on feedstock availability.

If you look at the broader capital allocation policy, I'll take you back 5 or 6 years when we started restructuring in TN, we sort of came down from – the number of units - we closed three units down, moved some of that capacity to Karnataka, wherein the crush could take place on higher recovery and better cost position of cane.

We also allocated capital towards the ethanol blending program by adding distillation capacity, which we have seen now materialize, and we also continue to invest in the Consumer Product Group's business, and we are working on how we can position the refinery business better. So these are really the focus areas going forward.

We were hopeful of a better and a more sustainable policy framework, framework especially around the linkage of cane prices to sugar prices, as well as ethanol blending program in terms of offtake prices of ethanol and we sort of modeled our capital allocation in Karnataka in terms of adding milling capacity and in terms of expanding distillation capacity on this basis, that hasn't completely played out. The margins have dipped in the distillery segment.

So we again, remain hopeful that policymakers will take a view, which is more long-term and sustainable from a policy framework. And I think that should help steady things on the standalone business. And I think once we see those days, obviously, in terms of the dividend, which you were alluding to, we would be in a position to start passing through again.

**Manish Beria:** So the second one, just to add-on there. I mean, so last time, I mean, you had like 59% stake. So I mean also not only the dividend, but you have sold some stake to bring it down to 56%. But does this stay here like there is no chance like will not go down more, let's say I understand it will be always 51%, but let's say there is no chance to cut down more that we believe something in the sugar business.

**Muthiah Murugappan:** So in the past that stake was sold down you know, to address some of the issues at the refinery. That was a group level call, which was taken. In terms of the future, I can't really comment. These are broader discussions, and we don't have anything to comment on at this point in time.

**Moderator:** The next question comes from the line of Sanjay Manyal from DAM Capital Advisors.

**Sanjay Manyal:** Sir, have just few questions on the recovery side. It seems that the current season recovery is slightly better. Just want to understand from the structural point of view, is there any possibility that Tamil Nadu and your catchment area, where the possibility of structurally the gross recoveries can improve to a level the way UP has seen in the past.

**Muthiah Murugappan:** Ashiq, do you want to take that?

**Abdul Hakeem Ashiq:** Thank you for your question. The recovery is a factor of few things starting from variety to the climate and the agricultural practices. What we have been consistently working is on the agricultural practices over the past few years. We are also focusing on things like getting the right time, the harvesting in place, which is one of the reasons, we have done in Tamil Nadu because if you harvest the cane at the mature age, your recovery will improve.

The varietal program within EID is a very robust program. We have about couple of decades of experience in developing new varieties. There are about two varieties hitting the bulk planting, as we speak now. And in the next few years, we will probably have about 4 to 5 varieties that will come. All these will aid in improving the yield and recovery in Tamil Nadu basically.

Will it move-up to the levels of UP, et cetera? I think that's something, which will take some time because the northern parts of the country have had benefits of a particular variety, which paid. Now it's -- it's going to life. The south part of the country will continue to be less in terms of recovery, as compared to the northern parts, especially in the coastal belts, et cetera. But we are fairly confident that we will see improved recovery from the recent trends in the coming couple of years. I hope I answered your question.

**Sanjay Manyal:** Sir, and my second question is on your view about the current ethanol scenario. We haven't really got the price hike in B heavy, and juice and industry have sort of moved to significantly B-heavy molasses based ethanol and sugar can juice-based ethanol. So what is your view on that? How you see the profitability will be impacted in the ethanol part of the business?

Also, if you can also sort of give your view on the sugar prices. We have seen off-late sugar price have been in an upward move at least in last one month. What is your view over the next 2, 3 quarters, how the sugar prices you think would be behaving?

**Abdul Hakeem Ashiq:** On the ethanol blending program, I think both the industry through its representative bodies like ISMA is fully seized of the matter and we continue to make very active representation to the government. We also believe I think the government understands the sector well and is very responsive. But as a very responsible government, they take their time to take the decision and I'm sure they'll do it right for the industry.

In the last two quarters -- at least in the last quarter, I think both the pricing on C heavy and the export quota from the government are positive indicators that the government is seized of the challenges that the industry faces. We are really positive, as we speak that the government will be responsive on pricing on B-heavy and syrup also and we hope for that, as we go forward. And as an industry participant, we will continue to work with the government on improving the sector profitability.

In terms of sugar pricing, I think the export quota has been a welcome development. It's really taken quite a bit of effort from both sides for the government to come up with that. As you can see, there is a shortfall in production in India, and I think the government has been responsive in terms of stepping in to help the industry. This export quota in a sense will help us pay our farmers on-time.

EID Parry is continuing to be in the forefront of that. I think as an industry, this will help in that and that's good for the economy. Sugar pricing per se would be robust for some time, but I think you will have to wait for the crushing season to end to get a good indication of the sugar available in the country. Broadly, I do have a positive view for the coming few quarters, if not longer.

**Sanjay Manyal:** Sir, my last question on the branded business. So what kind of non-sugar branded business would be the part of the sales? And how you see this business say next 3 years, 4 years from the margin perspective and the size of the business. From the margin perspective, what kind of EBITDA margin you can generate in this business?

**Balaji Prakash:** Thanks, Sanjay. This is Balaji here. I head the Consumer Business. So as of now for quarter 3, the non-sweetener sale is about 37% of the total branded sales and it is expected to be at around that level, as we go forward. This is the first year of operation. We've just been in operation for about 9 months. There are several aspects of margins and contribution value-creation that still need to be done. I think as of now, the margins are in the single-digit number, very close to the double-digit numbers. I think as we go forward, we'll unearth more value chain opportunities and grow the margins.

**Moderator:** The next question comes from the line of Rajesh Majumdar from B&K Securities.

**Rajesh Majumdar:** So I think part of my question was answered. But could you give us the 9 month kind of profitability of the FMCG business, as against last year 9 month period? Is that figure available?

**Y. Venkateshwarlu:** Rajesh, the segmental results are already available in our results. So from there, you can find it.

**Rajesh Majumdar:** I wanted for FMCG separately from the sugar alcohol actually.

**Y. Venkateshwarlu:** No, that is there. In the segmental results, if you look at it, there is a separate line item called as a CPG business. There you can see the profitability.

**Rajesh Majumdar:** My next question was that sir, we have been contemplating some kind of reallocation of capital on refinery / nutraceuticals for some time as has been announced in the earlier calls as well. So is there any development on that front?

**Muthiah Murugappan:** Rajesh bhai, Muthu here. Nice to hear from you again. So I think we've done those strategic reviews. I think on Nutra, you know, we perhaps realize that we'll have to do some more work to discover the right value, and I think we are focused on doing that right now. So that's the -- that's the sort of strategy on the Nutra front. We did do some work on that over the last 2 quarters, and we realize that we have to do a bit more to discover better value.

On the refinery front, yes, we do realize that we need to strengthen the business model perhaps by way of partnerships. It is complex, the business model is complex and the financials, of course, of the refinery are also complex. So hence these conversations are certainly on, but they are taking a fair amount of time.

That's all I can report at this point in time, but it's obviously top of mind for us to put this on a better track and position the refinery business appropriately. So as and when we have something to report on refinery, we'll come back to you. Nutra will be business as usual because of the fact that we need to do a bit more to discover the right value.

**Rajesh Majumdar:** Also, this quarter the refinery loss is reflective of the spreads, right? No extraordinary event is there in terms of the refinery loss that we see this quarter, it's just a reflection of the global spreads, is it?

**Suresh Kannan:** Yes, principally -- Suresh Kannan here. Yes, as far as the current quarter is concerned, we also had a little bit of deferment of volumes of shipments from the month of December to January. And of course, spreads are lower than what they were last year. But despite that, we were able to post INR5 crores loss on INR915 crores turnover. On YTD basis, we remain a bit positive. Of course, the spreads and the external environment remain challenging, but I believe the other refineries also are moderating their operating rates. So going forward, we look at the spreads recovering over a period of time.

**Rajesh Majumdar:** And if I could add, will we use the export quota for refined sugar this time? Is that possible?

**Suresh Kannan:** The export quota has just been announced, so we are looking at all options. Currently because of the increase in domestic prices, the mills are more interested in selling the sugar externally. So we are actively looking into that.

**Rajesh Majumdar:** And sir, if I could sneak in one more question. You have mentioned the sale of 6 lakh-odd shares of Indian Potash Limited. Now that is an unlisted company. So what is the approximate value of this transaction?

**Y. Venkateshwarlu:** This transaction value will be around INR 180 crores and something, Rajesh. But as of now, we are in the process of selling it, but major stake is not sold.

**Moderator:** The next question comes from the line of Ajit Darda from Nirzar Enterprises.

**Ajit Darda:** Sir, I have 2, 3 questions. The first one is on our branded sugar and branded staple business. Sir, when do we expect this business to be EBIT positive? And what is our growth strategy going forward for this particular business? And one more question relating to this is in which states are we present in both of these businesses, and what is our market share there? And what is our plan to expand in those states, as well as new states?

**Balaji Prakash:** Okay. Ajit, I'll answer your questions in the reverse order. I'll start with the third question. We are present in the 4 Southern states in the non-sweetener business and the sweetener business. We have some presence in West and e-commerce and modern trade and in East as well for modern trade alone, we are present. We intend to stay in the South and consolidate our position for some time before we decide to move into the rest of the country.

With regard to your second question, the growth plans for this business will be based on our distribution expansion plans. We are aggressively looking at increasing our presence in the number of outlets across the South of India. And as we increase the outlets, the business also will grow in a corresponding manner and that is our strategy for growth.

On your first question, the branded business, currently, the profitability is being something that we are working on, and we will be, as we unlock the value opportunities along the value chain at different levels. And as we build the brand and move into more premium packs, I think this profitability will be in sight, as we go along.

**Ajit Darda:** And sir, my next question is on ethanol. After a recent price hike in ethanol by the government, so what can be the impact on ethanol business margins?

**Y. Venkateshwarlu:** Ajit, the price increase, which has happened is on the C-heavy ethanol, okay. Basically, if you look at it, most of the distilleries are not supplying the C-heavy ethanol. So the benefit, whatever the government has given, may not have much impact on the profitability.

**Ajit Darda:** And your outlook on refinery margins, sir?

**Suresh Kannan:** Yes.. Refining will be challenging as far as the 4th quarter of the financial year is concerned. We are seeing some light at the end of the tunnel going into the subsequent quarters.

**Ajit Darda:** Sorry, I missed your line, sir, sorry.

**Suresh Kannan:** So I'll repeat. The 4th quarter margins will remain challenging because of the external situation. But subsequent to that, we are seeing recovery in the premiums globally. So going forward, things should get normalized in subsequent quarters in the next financial year.

**Moderator:** The next question comes from the line of Rajkumar Vaidyanathan from RK Investments.

**Rajkumar Vaidyanathan:** Sir, the first question, in recovery, in a few months, we have started reporting better recovery from Jan onwards. So do you see similar trends in Tamil Nadu and Karnataka?

**Abdul Hakeem Ashiq:** This is Ashiq here. Karnataka is looking robust, and we believe we are getting benefits there and that will continue. Crushing will continue for some more time. I think that will come through this year. TN early indications are - we will be better than last year, but we are still in the early stages of crushing. So I will reserve a comment to observe and then come back on that.

**Rajkumar Vaidyanathan:** And sir, for the outlook on Tamil Nadu, given that it had a good range and the reservoir is full. So I just want to know, can we expect a better sugar yield and performance for TN mills in the upcoming year?

**Abdul Hakeem Ashiq:** Tamil Nadu, as we did mention, I think on the last call, was affected last year by pest and adverse weather. There has been a turnaround of both the scenarios, as we speak in the current year. But as you know, cane is a 1 year crop, so the playout will happen in the coming year. We would be positive about a yield improvement anywhere between 1.5 tons to 2 tons on an average in Tamil Nadu.

Recovery is something we'll have to see and make a comment on. One concern obviously is that planting acreage in Tamil Nadu, which is on a downward trend for all players because of competitive crop scenario. So that would continue to be a concern in Tamil Nadu.

**Rajkumar Vaidyanathan:** So the next question is on the export front, given that many mills in UP are looking at selling the quotas, so will you be looking at consolidating that and looking at any export opportunity?

**Muthiah Murugappan:** Yes. So just wanted to come in here. I think this question came up earlier, we have done this in Q1, we have exported. So maybe, Venkat, we can cover the export captive to the refinery. So we have actually received certain quota of 15,000 tons. We have exported and closed this and we've done it captively to the refinery, which is a SEZ. So we've taken up on the export quota and executed.

**Rajkumar Vaidyanathan:** Sir, and lastly given that there is an uptrend in sugar prices, so can we expect a better performance in the current quarter.

**Muthiah Murugappan:** Okay. So Mr. Vaidyanathan, this is Muthu here. Let me just address. I think Ashiq had covered quite comprehensively to your question on TN and I will say that the TN has been challenging in recent quarters, and we are seeing planting dip and this is a challenge because of competitive crop. I think we are obviously doing a lot of work to improve yields and improve recovery, but I think the planting and vegetation dip, it is a challenge. And I think this is a challenge, which we will have to be face in the coming quarters as well.

In terms of pricing, I think you were asking, yes, we are seeing an uptick in pricing, just given demand-supply dynamics and we hope that this will hold, and this will certainly help the sector at large.

**Moderator:** The next question comes from the line of Ritwik Sheth from One Up Financial Consultants Private Limited.

**Ritwik Sheth:** Sir, a couple of questions from my end. Firstly, sir, you mentioned that crushing will be higher than last season. That was for Tamil Nadu for the entire crushing area for us or at a consolidated level.

**Abdul Hakeen Ashiq:** I did not mention the crushing will be higher; recovery will be higher.

**Ritwik Sheth:** Recovery will be higher. And sir, what kind of crushing are we expecting then this season?

**Abdul Hakeem Ashiq:** Yes, Muthu, please.

**Muthiah Murugappan:** So we don't give guidance, but crushing will be lower than last year and this is on account of challenges in AP and TN largely. I think as Ashiq said, while we've reported better recoveries in Karnataka, it is likely that the mills will close a tad bit earlier than last year and this would be crushed. So we will crush lower. And I think these lower crushes are perhaps in line with the lower deltas that industry at large is seeing in all of the states.

**Ritwik Sheth:** And sir, what is the key reason for the lower crushing? Is it the crop or is there any specific reason because there seems to be a significant drop for the entire industry, not only for us, but just trying to understand that.

**Abdul Hakeem Ashiq:** I think North has been essentially affected by pests this year and that's come as a surprise for the industry. South, as we already discussed that the states of TN and AP has had competitive pressure from other crops and weather and pest related issues. In general, the El Nino effect and other conditions probably has pulled down the yield compared to what the industry should have expected across the country. I think that's having a significant impact on the crush numbers.

**Ritwik Sheth:** And sir, earlier in the call you also mentioned that looking at some repricing for ethanol for B-heavy and syrup and green base as well. So would it be a fair understanding that it would happen only before the start of the next ethanol season that would be end of November '25.

**Abdul Hakeem Ashiq:** As this is a government policy, I think it may not be right to guess the timeline. What we would want to state is that we continue to make representations to the government, and we really cannot comment on them. They will take the decision, if at all they want to take the decision. So I think it's a question of wait and watch for the industry with all good intention.

**Moderator:** The next question comes from the line of Akshay Ajmera from Nirzar Securities LLP.

**Akshay Ajmera:** Sir, first of all, I would like to thank you for a detailed presentation. It explained the various key metrics very well to us. So I hope that it will continue in the future as well. And you have also explained, sir, on this Consumer Product Group business that our broad strategy, how we want to grow in southern states, as well as expand in rest of the states. Any broad timeline or a roadmap for the profitability, what is the internal thinking around it? If you could just guide us on it? That would be very helpful.

**Muthiah Murugappan:** This is Muthu here. And I think we've given commentary in the past that we aspire to exit this decade with a much larger business than where we are today with a high digit percentage EBITDA, given it's a food F&B business. So I think that aspiration and objective is, and I think all the work that we are doing is in that business.

**Akshay Ajmera:** Okay, okay. Sir, secondly, as a company, we have multiple businesses now. We have an aspiration to grow and expand this business as well and we have sugar business, which is seasonal in nature, cogen distillery, then we have nutraceuticals. We are a holding company of Coromandel as well.

So is there any strategy or a thought process to unlock value in these businesses to increase shareholders' value as well as to increase focus on respective businesses because refinery is one of them. And we have seen in the past that we were very good in taking calls when you know, stop capital allocation to certain areas, which were not very profitable. So your views and your thoughts on it.

**Muthiah Murugappan:** That's excellent question and I think that there's some commentary on this earlier in this call as well. In terms of the standalone business and I think that's really what we are primarily discussing today, I think our focus remains. We've done capex on the ethanol side, and our focus remains in running the mills and the distilleries very efficiently.

So the scale-up of the consumer business has been discussed. From a Nutra perspective, I think we have to do a bit more to discover the right value. And again, on the refinery, position it appropriately in terms of what's best for the business. I think this is where the focus is largely.

From a capital allocation perspective, I think unless we really see a sustainable policy framework, it would be hard to get the capital allocation back into the distillery segment. I think the aspiration from a capital allocation perspective would be more towards the consumer side going forward. And I think really efficiently run the mills and distillery segment, so that we get back into profitability. Of course, I think climate and regulation will also have to support us in this regard.

I think doing 4, 5 of these things on the standalone EID side are critical, so that the Group, as you know has always addressed strategic issues at the right time in place. And I think a sound set of standalone businesses will enable us to progress things on these lines. So I think that's where things will stand right now.

**Akshay Ajmera:** Very happy to know that. Sir, lastly, can you also share with us the share of sales value in terms, the value-added products in the sugar business, if you could just help us there?

**Abdul Hakeem Ashiq:** Broadly our business today is around 55% in institutional sales and almost all of that is a value-added product. So that's the split that will be there in the sugar sales.

**Muthiah Murugappan:** No, no. I think he was referring to the FMCG side, right? So I don't know, we missed putting it on the presentation. It was there last year. Again, it was there in last quarter. Is it 15%.

**Balaji Prakash:** Yes. It's about 15% as of now.

**Y. Venkateshwarlu:** Yes.

**Akshay Ajmera:** 15%.

**Moderator:** The next question comes from the line of Rajkumar Vaidyanathan from RK Investments.

**Rajkumar Vaidyanathan:** Sir, thanks for the follow-up. So two questions. So first one is on MSP increase, which we are requesting the government. So anything third...

**Muthiah Murugappan:** Mr. Vaidyanathan, can you repeat the question?

**Rajkumar Vaidyanathan:** Question is on the MSP increase for sugar which the industry is requesting the government -

**Moderator:** Mr. Vaidyanathan, you're not quite audible. Can you come a little closer to the mic?

**Rajkumar Vaidyanathan:** Yes. Can you hear me now?

**Moderator:** Yes, please go ahead.

**Rajkumar Vaidyanathan:** Yes. So the question is on the MSP increase for the sugar, which the industry has been requesting for many years. So I just want to know, is there any update? Do you hear anything coming up in the near annual?

**Abdul Hakeem Ashiq:** MSP is something that we continue to make representation to the government because as you can see, one of the stress the industry faces is a year-on-year increase in FRP, but that's not commensurate with the MSP increase. I'm sure the government is seized of the matter, and they are working on the various industry representations on how we would want to process that. In terms of timeline, as I said, this in the realm of the government's decision-making. I think we should hope for the best run rate.

**Rajkumar Vaidyanathan:** And sir, in terms of the ethanol part, I am not sure whether you have already covered it and I apologise if it was done earlier. So the question is, so given that there is no price increase other than the C-heavy ethanol. So are we looking at diverting any of the ethanol to sugar given the remunerative prices?

And then extending the same question, are we also looking at producing any ethanol through other grain mode like maize or rice.

**Abdul Hakeem Ashiq:** In terms of feedstock between B, C and ethanol, we continuously keep evaluating on a very live basis as a system, and we choose to produce what would be margin accretive to the business.

In terms of diversion to sugar, that's part of the matrix. If sugar is profitable, yes, we would look at it. But we do have commitments to the OMCs, which are locked in terms of our supplies. And I think that's a good, assured business that we have on the ethanol side. I hope I have answered your question.

**Rajkumar Vaidyanathan:** Sir, and how about producing ethanol through the grain mode? Are we looking at...?

**Abdul Hakeem Ashiq:** Out of the units we have, our Sankili unit has a grain capacity. Grain, as we have outlined in the past, our intent is to make our distillery business multi-feed, multi-product. So we would be looking at grind-based option in one of our other facilities also. So we'll be flexible in terms of our approach.

**Moderator:** The next question comes from the line of Somnath Saha from B&K Securities India Private Limited.

**Somnath Saha:** Sir, you have just mentioned about the multi-feed. Can you give the numbers out of the total capacity you have for distillery? What portion is multi-feed?

**Y. Venkateshwarlu:** Somnath, today if you look at it, as on 2nd quarter we are having a total 582 KLPD, the total alcohol capacity.

**Somnath Saha:** Sir, I can't hear you, sir.

**Y. Venkateshwarlu:** The total ethanol capacity is 582 KLPD. Out of that 120 KLPD is basically the multi-feed. 120 KLPD, can be produced from either grain. Grain means like either rice or maize. When it comes to the ethanol, either it is B-heavy molasses or syrup.

**Somnath Saha:** Any further plan for expansion or conversion of the existing juice base or even sugar feedstock-based plant to multi-feed?

**Y. Venkateshwarlu:** We have plans, Somnath. Maybe at the right time, we will disclose it. We have a plan because looking at the challenges in the molasses availability in TN and Karnataka, we may be looking at the conversion of the existing plant into multi-feed grain.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing comments.

**Muthiah Murugappan:** Thank you, Sanjay, and thanks to everyone for logging into our quarter 3 call. These are challenging times for us as well.

**Moderator:** Sorry to interrupt, sir. You're not quite audible.

**Muthiah Murugappan:** Yes. Thanks all for logging into the call. These are, of course, challenging times perhaps for the industry as well as for us. I think we continue to work toward various strategies, which we have given commentary on, and we look forward to connecting with you in the next quarter. Thank you and have a good day.

**Y. Venkateshwarlu:** Thank you.

**Abdul Hakeem Ashiq:** Thank you all.

**Moderator:** Thank you, sir. Ladies and gentlemen, on behalf of DAM Capital Advisors that concludes this conference. You may now disconnect your lines.