"E.I.D.-Parry (India) Limited

Q4 FY'25 Earnings Conference Call"

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

Moderator: Ladies and gentlemen, good day, and welcome to the EID Parry (India) Limited Q4 and FY '25 Earnings Conference Call hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Sanjay Manyal: Hello, everyone, and a warm welcome on behalf of DAM Capital to the Q4 FY '25 Earnings Call of EID 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 opening remarks, followed by a question-and-answer session. Thank you, and over to you, sir.

Muthiah Murugappan: Good morning Sanjay, and thank you. Good morning, everyone. It gives me great pleasure to be a part of this call to share with you and update all of you on the global as well as the Indian sugar scenario and also talk about the Q4 performance of the company.

I'll start with the global scenario. The '24-'25 global sugar deficit widened by 1.5 million tons to 3.9 million tons due to production cuts in India, Pakistan and Thailand, while the '25-'26 deficit projection increased to 1.5 million metric tons, signaling continued tightness. The '24/'25 raw sugar trade flow surplus rose by 726,000 metric tons to 2.92 million metric tons, with most of this concentrated within Q3 of 2025. The projected trade flows for white sugar in '24/'25 indicate a reduced surplus of 642,000 metric tons, down by 215,000 metric tons amid a shift to a deficit starting in 2026.

The benchmark New York #11 May contract oscillated between $0.18 to $0.20 per pound, finishing the month 44 points higher. The weather forecast shows above average rains in center -South Brazil. In the short term, this could disrupt harvesting and reduce industrial yields. But in the long term, it could be beneficial for cane development.

The U.S. dollar index fell significantly by mid-March amid tariff concerns, which could influence agricultural commodities, sugar included to the bullish side. The speculators' net stock position was reduced to the lowest level since mid-December 2024, mostly on fresh pine. New York # 11 price forecast has been lowered from March '24 with the base case at $0.185 per pound to attract demand amid a significant surplus estimated in raw sugar trade flows.

White premiums remained volatile, ending April 4% lower with expectations to trade between $105 to $120 per metric ton, reflecting the tightening white sugar surplus. While structural deficits provide long-term price support, near-term market dynamics remain balanced between Brazil's harvest progress, white and raw arbitrage opportunities and evolving weather patterns that could impact production. The market continues to navigate these competing forces with traders closely monitoring Brazilian crushing rates and potential policy shifts that may affect global trade flows in coming months.

I'll now move to the Indian scenario. As of April 30, India's sugar production stood at 25.7 million metric tons with 19 mills still crushing, predominantly in UP, Maharashtra and Tamil Nadu. While early season yields were impacted by weather conditions, improved recoveries on the second half of the main season have supported production.

ISMA, the Indian Sugar Mills and Bio-energy Association has maintained its full season estimate of 30.3 million metric tons, contingent on an additional 4.5 million to 5 million metric tons from the May operations and the special season, which goes from June to September.

Domestic consumption is projected at 28 million metric tons with 1 million metric tons being allocated for exports. While 3.8 million metric tons has been diverted to ethanol production. On the back of this, closing stocks estimated at 5.5 million metric tons for the sugar year '24-'25.

Looking ahead, with planting numbers looking good in the 3 key states and a normal monsoon, which has already started early as expected, this will augur well for the upcoming main season crush. TN and AP, however, still will remain challenged because of lower planting. So given this there will be a positive delta in crush. There is expected to be more sugar in the upcoming 2 year.

On this backdrop, some of the key factors to be monitored from a policy and a regulatory perspective include, firstly, sugar pricing as the new season starts and as to whether exports will be considered given a larger crop and crush.

On the ethanol side, we also need to monitor whether on molasses-based ethanol, there will be any pricing revisions at all as they have not been moved up in over 3 years despite consistent FRP increases. There's also an indication of more saliency and emphasis on grain ethanol. And lastly, on ethanol, whether there would be curbs or not on the import of U.S. ethanol will also need to be monitored. Whether the curbs will be lifted would need to be monitored as part of the ongoing trade discussions between the 2 countries.

I now hand over to Venkat, our CFO, to take you through the operating parameters and performance of the company in Q4 and FY '25.

Y. Venkateshwarlu: Thank you, Muthu, and good morning to all participants. It's a great pleasure to be part of the analyst call and to share the key information of the operational and financial performance of the company.

I would like to share with you the key operating parameters of each segment. The sugar operations, the crushing operations in Karnataka, Tamil Nadu and Andhra Pradesh, we have successfully completed for the quarter. We have run about 122 days overall in Q4 against the 156 days of last year.

We crushed about 17.4 lakh metric tons of cane against the 19.79 lakh metric tons for the corresponding previous quarter. The gross recoveries have improved. We are at 10.8% for the quarter against 10.69% of the corresponding quarter of the previous year. We produced about 155,000 metric tons against the 204,000 metric tons of the corresponding previous quarter. So overall cane cost is about INR3,768 per metric ton against INR3,504 per metric ton of the corresponding quarter of the previous year. The increase is mainly on account of the FRP increase from INR3,150 to INR3,400.

As far as the sugar volumes is concerned, we sold about 103,000 metric tons, including our consumer pack division against the 105,000 metric tons of the corresponding previous year. Average selling price was about INR39.37 excluding the consumer pack against the INR37.50 for the previous period. We carry closing stock of about 1.9 lakh metric tons valued at INR37.50 to INR38.

So as far as the revenue is concerned, from sugar operations, we've done about INR408 crores against the INR415 crores of the corresponding previous quarter, registering a degrowth of about 2%. This was mainly on account of reduced release quota.

As far as consumer pack is concerned, we achieved about INR195 crores of revenue. This is including the non-sweetener portion of about INR65 crores and the sugar of INR130 crores against INR135 crores of the corresponding previous period. As far as the Co-gen is concerned, we generated about 1,456 lakh units against 1,746 lakh units in the corresponding period of the previous year.

As far as export of power is concerned, about 732 lakh units was exported as against 903 lakh units in the corresponding period of the previous year. The average power tariff for the current quarter is about INR4.3 per unit against INR4.84 per unit in the corresponding period of the previous quarter. As far as revenue is concerned, it was INR57 crores for the power for the current quarter against the INR77 crores of the corresponding period of the previous year.

It's a good story on the distillery because we sold about INR3.89 crores liters of alcohol against INR3.31 crores liters of the corresponding previous quarter, of which about INR1.31 crores was ENA, about INR2.57 crores was ethanol.

The realizations are good. The current quarter realization is about INR66.98 / INR67, against the previous year's realization of about INR64.49.So though there is no increase in ethanol prices, the average sales prices have increased. So, mainly the contribution has come from the price increase in ethanol in Tamil Nadu and Karnataka. As far as the revenue is concerned, it was INR268 crores as against INR224 crores of the corresponding previous year quarter.

So as far as the Nutra segment is concerned, pertaining to Indian operations, the current quarter turnover was about INR9 crores against INR10 crores in the corresponding period of the previous year. At consolidated level, the turnover is about INR60 crores against INR70 crores in the corresponding period of the previous year.

As far as the refinery business is concerned, the total revenue is about INR 1,019 crores against INR 899 crores of the previous period. So as far as the loss is concerned, it is about INR 99 crores against INR 9 crores in the corresponding previous period.

Refined sugar production is about 1.17 lakh metric tons against previous period, of 2.49 lakh metric tons. Refined sugar sales is about 2.05 lakh metric tons against the previous period of 1.5 lakh metric tons. Intercorporate deposit, given by EID Parry of INR200 crores, remains the same. As far as external borrowing is concerned, it was INR 590 crores against the previous period of INR 95 crores.

So as far as EBITDA is concerned, for the current quarter, it's a negative before exceptional item of about INR38.12 crores, against the corresponding previous period of INR56.21 crores profit. PBIT, before exception will be about INR49.3 crores current quarter compared to the previous period, it is INR45.53 crores of profit. PBT is about INR99 crores negative against the INR9 crores of the corresponding previous year loss.

So that's it from my side. So the floor is open for questions.

Moderator: Thank you very much. The first question is from the line of Rushabh from RBSA Investment Managers. Please go ahead.

Rushabh: I just have a question on the CPG division on the non-sweetener side. Strategy-wise, are you looking to enter organic or chemical-free category seriously over the next 2 to 3 years? What is the thought process given that we have good access to farmland from our group companies?

Balaji Prakash: So this is Balaji. I head the Consumer Products business. As of now, we are present in the conventional staples business, and we don't have any plans right now to enter the organic or chemical-free staples at this point in time. Maybe in at some future situation, we'll consider it. We haven't yet optimized the supply chain to the extent of going up to the farmers. As of now, there are no plans for that right now.

Rushabh: And secondly, I'm just looking at one of your slides in the sweetener category. The distribution reach has increased by 10x over the last 4 years, while the revenue has gone up only 3x. So I believe there's a lot of potential to increase the revenue per distribution reach. So what steps are we taking to increase that? And what are the new products that we're adding in the non-sweetener category in this coming year?

Balaji Prakash: So I think the outlet increase is always higher than the revenue increase because the incremental new outlets don't contribute to revenue in the same proportion as the existing outlets, which is a normal understanding. So that is the reason why you see that discrepancy. And in terms of new products, we are still working on our new product plans, and we will come back to you as and when they are ready.

Moderator: We take the next question from the line of Sanjay Manyal from DAM Capital.

Sanjay Manyal: Just want to understand about the availability of sugarcane for the next season, given the fact that the rains have been good and water levels have been pretty decent. So it seems that production could be a bit higher. So what could be the crushing number for us, and how would that translate into the ethanol volumes for the next year?

Abdul Hakeem Ashiq: This is Ashiq here. I'm heading the Sugar and Biofuel business. Current timely monsoons in Karnataka and Tamil Nadu is giving us a lot of comfort. We are still in the stage of planting. Probably by the end of next quarter, we'll have a good view of any upsides that could be there. Currently, we are holding a neutral outlook with a positive base.

Sanjay Manyal: Okay. And sir, just also want to understand if you can give a bit about the ethanol volume and how much now could be the proportion of grain ethanol or maize ethanol? And how are the economics in maize ethanol, or for that matter, grain ethanol in South India?

Y. Venkateshwarlu: Sanjay, if you look at it, our distillery capacity is about 582 KLPD. So that will give you about 18 crores liters or so, okay? As far as the composition of ethanol and ENA is concerned, we'll be dynamically deciding it, which is more lucrative, okay? As far as the ethanol is concerned, to the extent of the OMC commitment, we'll be honoring it. So, balance, we will be diverting into the ENA.

As far as the grain is concerned, you are aware of it because we have only 1 facility in AP, where about 3.5 to 4 crores liters we can produce. That also depends on whether it is a syrup or the grain, or something. It's a multifed distillery. We can't comment on '25- '26, what could be the grain ethanol exactly depends on the availability of the cane and the government outlook on the price increase in case of grain ethanol and the B-heavy ethanol.

Muthiah Murugappan: So, Sanjay, Muthu here. To your question, in terms of the economics of grain ethanol in South India, I think it's helpful when you actually have an integrated facility because your sugarcane ecosystem gives you a benefit on fuel. And ideally, we've had lower-than-expected cane feedstock in AP. But as that situation improves, then that would certainly benefit the operations.

In terms of how stand-alone ethanol distilleries are faring in the South, there isn't too much public data available on that. So it's hard to comment. In a broader sense, we are hearing more saliency and emphasis on grain ethanol. This is a change from when the ethanol blending program was conceptualized. In the last 2- 2.5 years, there's been more of a saliency towards grain, which is what we are seeing right now.

But that said, we are moving into a period of abundance on the sugarcane side after 2 years. So given all of these are agri feedstocks, we will have to wait and watch whether this increased saliency towards an emphasis on grain ethanol will remain or there will be a shift towards sugarcane. Again, given these are agri-based feedstock, these tend to usually be dynamic situations.

Sanjay Manyal: Right, sir. Just one more thing on the ethanol part, this is almost like a second year where we haven't really received any hike in ethanol prices. I'm sure your discussions must be happening with the government about the policy, because till the time the 20% blending was not met, I think the government was pretty keen to increase the prices. Do you think it's a halt from that perspective that there is no increase in prices? So probably - this 20% blending will stay here and will not move forward?

Muthiah Murugappan: So Sanjay, I think you're asking a couple of questions. I think the last time and Venkat, correct me if I'm wrong, we saw an increase on ethanol offtake prices in late 2022. So we're almost going to be 3 years without any increase in molasses-based ethanol prices, barring some marginal increases on the C-heavy price. It is not very material.

So that is a challenge, given FRPs goes up consistently every year. And last year, they actually went up by 8%. So this is what has challenged the industry and also brought EBITDA margins down significantly on the back of recently concluded capex programs.

I think this has been well represented by the industry body to the policymakers. I think they have also been receptive in their listening and I think they do understand. It really remains to be seen in terms of what kind of policy calls are taken around this. I can say that we remain hopeful given that there is an abundance of cane coming up and so on.

In terms of the blend, I think we're up to about 18% right now. And the auto industry also is seemingly prepared for up to a 20% blend. So whether this blend will move up beyond 20%, again, that's something which is on a concrete basis yet to be determined.

We are also concerned, I will say, by the fact that there are conversations as part of a broader U.S.-India trade discussions that the lifting of curbs on import of U.S. ethanol is being considered. We don't know the outcome yet, but I think the industry body has officially also expressed their concern on this matter to policymakers across the board. I think such a move will certainly be negatively impactful to the industry at this point in time.

Sanjay Manyal: Right sir, in the same context, if I can just understand the economics means, what if the import of ethanol happens to India, what would be the landed price? And will it be so much difference? I mean, is there a significant difference that those imports are attractive?

Muthiah Murugappan: I think if you look at the U.S. -- current export prices of U.S. ethanol, I think it equates to about, I would say, the early 40s. I did check this earlier this week. So of course, ethanol is subsidized in India. And I think U.S. prices are currently much lower. So that obviously impacts the economics.

Moderator: We take the next question from the line of Yash Visharia from Mavira Asset Management.

Yash Visharia: Sir, just wanted to get your sense on the consumer products business. So, how are we seeing this business grow over the next 2 to 3 years? What is the road map that the company is envisaging on this business?

Balaji Prakash: So the consumer product business -- our focus on the consumer product business will continue with sustained aggression on distribution growth and volume growth. Branded packaged food business in India is growing at about 12% annually. We will be trying to beat that estimate in terms of our growth rates, and we will continue to keep focused on building the brand and driving the distribution.

Yash Visharia: Sure, sir. So are we focusing on any specific geographies, like only South India or we want to grow pan-India? How are we seeing the growth there?

Balaji Prakash: So right now, we are present in the South of India. And as the market demand picks up, we will be expanding across to other geographies. Right now, we are present in the South of India.

Yash Visharia: Okay. And sir, are we planning to tie up with any of the giants like, say, D-Mart or any other quick commerce for pickup in the volumes?

Balaji Prakash: So these are channels, and we don't do tie-ups with them, but we are present in all these channels in e-commerce and D-Mart, our products are being sold. Like a conventional channel, we will be managing them.

Yash Visharia: Understood, Sir. So sir, basically, apart from sugar and distillery, can we say that maybe 3 or 5 years down the line, the consumer products business will be one of the important core segments for the company in the growth?

Balaji Prakash: Yes, definitely.

Moderator: We take the next question from the line of Ritwik Sheth from One Up Finance.

Ritwik Sheth: Sir, just a couple of questions. Sir, firstly, on the debt front, sugar business and refinery, would it be possible to give the split for long-term and short-term debt?

Y. Venkateshwarlu: Ritwik, as far as the sugar business is concerned, we have about INR850 crores as a short-term debt, about INR205 crores is the long-term debt. So as far as the refinery business is concerned, about INR590 crores is the short-term debt, and the INR200 crores will be the long-term debt. So long-term debt is basically from the ICD, which is given by EID Parry.

Ritwik Sheth: So external debt is only INR590 crores, which is completely short-term?

Y. Venkateshwarlu: Yes.

Ritwik Sheth: And sir, what is the outlook on the refinery debt and refinery business as well for FY '26, if you could give us some flavor on that?

Suresh Kannan: Ritwik, Suresh Kannan here. See refinery business went through challenging times in the second half of FY '25, basically on account of the drastic fall in the white premium, that happened because of increased supply came out of European Union, Ukraine, and to some extent out of Pakistan as well. But going forward, in FY '26, there is a spillover effect of that as we start the financial year.

However, as Muthu explained in his commentary, there is a tightening of the supply that's happening as far as refined sugar is concerned. Most refineries took break because of the low white premium situation. So there is a correction as far as the supply side is concerned. So we are seeing the white premiums going back, may not be up to the levels that what we witnessed in FY '24, but definitely much better than the FY '25 level. So that will increase the run rate of the refining operation. That will also help us to service the short term debt effectively.

Ritwik Sheth: Got it. And on the crushing, I'm not sure whether you mentioned in the opening remarks, but what is the crushing that we expect for FY '26 for EID Parry?

Y. Venkateshwarlu: Ritwik normally, we will not tell about the future, but as was Ashiq mentioning that this time, the monsoon is good. But we can come back to you may be in the September or something, what should be the probable crushing.

Moderator: Next question is from the line of Manoj Shah from Lax Gov Investments.

Manoj Shah: Just wanted to check on what will be the capacity utilization for ethanol because recently new capacities have come, and what you expect in FY '26 capacity utilization?

Abdul Hakeem Ashiq: As Venkat pointed out, we have 582 KLPD Distillery Capacity. We are currently running at about 90% plus capacity utilization. We expect that to continue, and our endeavor is to move the needle substantially up because the benefit is there in utilizing our assets efficiently, and we have an opportunity unlike the sugar business. So 90% to 95% is the kind of capacity utilization we are looking at.

Manoj Shah: Regarding the sugar refinery, there is some impairment taken up in this year. Can you comment a little bit on that? Why an impairment has been taken? And also, there is some news that government will have some control over raw sugar also, there are some news, if you can comment on that.

Muthiah Murugappan: So I'll take the first one. There's been an infusion, which has been made, and that is for debt reduction and improving the net worth. At the same time, the impairment has also been taken because of the challenged financial performance of the business. You would have seen the spreads, I think Suresh Kannan spoke about it, have drastically come down. This has led to, as Venkat described, a very weak financial performance. So we were required to take this impairment.

Manoj Shah: So basically, we have assessed the future cash flows to be lower than the book value. So you have taken impairment based on that?

Muthiah Murugappan: Yes, it's usual cash flow-based formula which has been used, yes.

Manoj Shah: And second part on this raw sugar, there was some news that the government would have some control over on that as well. There is some news, if you can comment on that?

Muthiah Murugappan: Suresh, you might want to comment. I don't think so.

Suresh Kannan: In the Sugar (Control) Order, they have brought in some amount of control in declaring the raw sugar with manufacturers. And also they have brought units larger than, I think, 500 TCD for Jaggery crushing, kandasari into the ambit. We believe both are welcome to make the sugar balance numbers, and create a level playing field amongst various players. And as an organized player, we are open to the direction in which they are moving.

Muthiah Murugappan: I'm not sure there's much of an implication on the refinery. I don't know, Suresh Kannan, if you want to clarify.

Manoj Shah: Yes, basically I wanted to know that.

Suresh Kannan: The Sugar (Control) Order is basically for governing the domestic production, as refinery is entirely on export. So either the imports is through an advanced license or through special economic zone, these do not come under the Control Order. So we are not affected..

Moderator: We take the next question from the line of Manaswi from ICICI Bank.

Manaswi: I would like to know from the sugar segment, you can highlight on what has been the key reasons because of which there has been the negative income, and how exactly EID Parry is planning on mitigating the upcoming financial year?

Muthiah Murugappan: Can you stop the background noise which is coming. We are not able to hear you properly.

Manaswi: Is it better now?

Muthiah Murugappan: Yes. Can you please ask your question again?

Manaswi: I would like to know if we go for the Sugar segment, like if you can highlight what are the key reasons because of which there has been negative income for the FY '25? And how is EID Parry planning to mitigate the same in the upcoming financial year for the sugar segment?

Suresh Kannan: I'll try to take the question. Fundamentally, the challenge has been on sugar realization because the government has been holding the MSP, while the FRPs have been going up year-on-year. As already pointed out, we continue to shift our portfolio towards refined sugar and institutional sales, coupled with our foray into consumer products. The shore up the realization to help us manage the pressures on cost line.

The other challenge we continue to face is on the release quota. The government has a particular methodology and they have been refining it over years, in terms of giving us a quota of sugar that we can sell. We continue to work with the policymakers in terms of helping the industry in giving higher release quota, which will automatically take care of the business pressures.

The last one is obviously from the supply side. As already pointed out by a gentleman earlier, we have a positive bias towards cane availability, and increased crush base will also leverage the cost in the P&L and will give better results. Broadly, at a large view, these are the 3 ways in which we are looking at approaching in terms of resolving the pressure.

Moderator: Next question is from the line of Yash Visharia from Mavira Asset Management.

Yash Visharia: Sir, just sorry if that's a repeat question, but with respect to this subsidiary, Parry Sugar Refinery India Private Limited. So, we have an exceptional item of INR427 crores for the year of FY '25. And we are again infusing around INR350 crores in the same subsidiary. Is that understanding correct?

Muthiah Murugappan: That's correct.

Yash Visharia: Sir, what is the reason for writing off INR427 crores and again reinfusing the such big amount in the same company?

Muthiah Murugappan: I think Yash covered this earlier. The impairment has been done on account of poor financial performance. I think that was looked at, and I think we were required to take that impairment. In terms of the infusion, it is to strengthen the net worth of the company and also bring about some debt reduction. This is the reason for the infusion.

Moderator: Next question is from the line of Manoj Shah from Lax Gov Investments.

Manoj Shah: Sir, my question is to make the sugar business viable, how much the minimum selling price should be increased? Like you are touching in the market somewhere around INR37, INR38. And based on your cost of production, how much it should be increased so that the sugar business becomes viable?

Muthiah Murugappan: Yes, Venkat, do you want to go first?

Y. Venkateshwarlu: No, no.

Muthiah Murugappan: So Manoj, if you ask that question to industry, I think we'd have a really, really big ask around that one. If you look at most commodities pricing, even if you look at the domestic bill, oil and ghee and whatever else, pricing has significantly moved up in the last 5, 10 years.

Sugar, unfortunately, has remained very range bound and the sort of window shortens between the FRP increase and the price. So, I think this has constantly been represented to the policymakers. I would say something into the early 40s would only be near meaningful. However, it still continues to be a deliberation with them on the MSP. So, we'll have to wait and watch if anything is considered at all.

Manoj Shah: So, do you expect anything to come before this next sugar season starts?

Muthiah Murugappan: No, I think it's not come around for quite some time. It continues to remain a deliberation. I think Ashiq spoke about release quotas. There's also export allocations, ethanol diversions. These are how the sugar balance and pricing is really managed in our country. It's also an essential commodity. So maybe it's perhaps in their own right policymakers also have intent to keep pricing affordable and range bound.

So, it will continue to remain in deliberation. I think there are areas where in which we are hopeful policymakers will make some positive upward revisions. But also, with programs like EBP, so on and so forth, they have been good moves made by them as well to strengthen the health of the industry.

Manoj Shah: But can you comment that through ISMA, you are in some active dialogue with government on this or it's nothing happening on this front as early representation from the industry through ISMA?

Muthiah Murugappan: So, Sanjay, ISMA has always taken up this point with the authorities, and they've always given us patient sharing. It's never off the table in terms of discussion.

Manoj Shah: And in light of higher sugar production for next sugar year, how do you see the movement in prices because you will have higher cane production, which may again further depress the sugar prices. So how this will impact the profitability?

Muthiah Murugappan: So, if you go back to my opening comments, I stated this as the first point to watch out for, precisely what you have rightly picked up also now. Yes, with more sugar coming into the balance and with these kinds of release quotas and sugarcane ethanol not being given as much of an impetus, there is certainly a risk of downward sliding of prices.

Now which is why perhaps into Q4 of F '26 and Q1 of F '27 Q2 F '27, having an export program will certainly be something I hope the policymakers will consider strongly to ensure that pricing remains reasonable for us for the processors.

Manoj Shah: Any indication on ethanol blending program moving higher from 20% to 25% or higher than 20%?

Muthiah Murugappan: Again, as mentioned earlier, this is a conversation. As far as we know, the auto industry is certainly prepared for a 20% blend -- beyond 20%, I'm not sure if we have enough insight whether they are prepared. There's also talk of flex fuel and higher blends, but these are in smaller pockets. But up until 20%, I think the industry is prepared. We're at 18% right now. We still have to catch up 2%.

Moderator: Ladies and gentlemen, that was the last question. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Muthiah Murugappan: Thank you all for your patient listening. We look forward to meeting again during our Q1 F '26 results in a few months' time. Thank you.

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