



GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

Fertilizernagar - 391 750. Vadodara, Gujarat, INDIA.

CIN : L99999GJ1962PLC001121

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17th February, 2026

The Corporate Relationship Department BSE Limited 1st Floor, New Trading Ring Rotunda Bldg., P.J.Towers, Dalal Street Fort, MUMBAI - 400 001 SCRIP CODE: 500690	The Manager, Listing Department National Stock Exchange of India Ltd. 'Exchange Plaza', C/1, Block G Bandra-Kurla Complex Bandra (East), MUMBAI - 400 051 SYMBOL: GSFC
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Dear Sir / Madam,

Sub.: Transcript of the Investor ConCall held on Tuesday, 10th February, 2026

We refer our submission vide letter dated 28th January, 2026 wherein the intimation was made that the Conference Call with Analysts is scheduled on 10th February, 2026 from 3:30 PM IST.

We are enclosing a copy of the transcription of Conference Call. The aforesaid information is also disclosed on the website of the company at www.gsfclimited.com.

Kindly take note of the above.

Thanking you,

Yours faithfully,

For Gujarat State Fertilizers & Chemicals Ltd.,

Nidhi Pillai

Company Secretary &

Vice President (Legal)

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“Gujarat State Fertilizers & Chemicals Limited GSFC Q3 FY26 Earnings Conference Call”

February 10, 2026

**MANAGEMENT: MR. S K BAJPAI – SENIOR VICE PRESIDENT (FINANCE)
& CHIEF FINANCIAL OFFICER, GUJARAT STATE
FERTILIZERS & CHEMICALS LIMITED
MR. S V VARMA – EXECUTIVE DIRECTOR
(AGRIBUSINESS, HRS & IR), GUJARAT STATE
FERTILIZERS & CHEMICALS LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Gujarat State Fertilizers & Chemicals Limited GSFC Conference Call for Q3 FY26 Earnings. This call has been hosted by Anurag Services LLP on behalf of GSFC Limited.

From the Management, we have Mr. S K Bajpai – Senior VP (Finance) and CFO, Mr. S V Varma – Executive Director (Agribusiness, HRS & IR) and other senior members from the management.

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 ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. S K Bajpai – Senior VP (Finance & Legal) and CFO, GSFC Limited. Thank you and over to you, sir.

S K Bajpai: Good afternoon everyone. Thank you for joining us for Quarter 3 2025-2026 Earnings Call of Gujarat State Fertilizers & Chemicals Limited.

It's always great to connect with all of you and share the key updates that we have from the quarter. I hope that you had a chance to review the financial results, media release and investor presentation available on the stock exchanges and also on our company website.

If you see standalone financial performance, the company has delivered strong financial and operational performance in Quarter 3, demonstrating robust growth across key metrics.

On the production front, the company achieved the highest Q3, 5.07 lakh metric tons and in 9 months, 13.30 lakh metric ton volumes in the last five years. Revenue growth, sales increased by Rs. 139 crores, representing 5% year-on-year growth. Profit before tax rose by Rs. 27 crores, a healthy 18% increase. Profit after tax grew by Rs. 38 crores, marking an impressive 32% improvement. Operating profitability improved from 5.40% to 6.11%, reflecting enhanced operational efficiency. Fertilizer segment revenue increased from Rs. 2,172 crores to Rs. 2,298 crores in Quarter 3 on a YOY basis, our sales volume remaining stable at 6.27 lakh metric ton. Segment average moderated to Rs. 119 crores from Rs. 126 crores due to sharp escalation in key raw material prices like Phosphoric Acid up by 34%, Sulphur up by 130% and Sulphuric Acid up by 91%, which offset the benefit of higher realization in Phosphatic and Potassic fertilizers.

The Quarter recorded the highest APS production and sales in the last five years, resulting in a net revenue increase that largely compensated for the decline in DAP sales. Industrial product segment delivered a resilient performance in Quarter 3 on a YOY basis, with sales rising from Rs. 583 crores to Rs. 596 crores and EBIT turning around to a profit of Rs. 9 crores, reflecting improved operational balance. Growth was supported by a strategic focus on higher Melamine exports, where realizations were stronger than in domestic markets, along with higher traded Ammonia sales. These measures overcame the headwinds in other major industrial products,

while the Caprolactam-Benzene spread declined to US\$495 per metric ton from US\$588 per metric ton, diversification and product portfolio management supported profitability.

Overall, the company maintained a healthy performance in Quarter 3, demonstrating resilience against raw material volatility and sustaining growth momentum across both business segments. We continue to maintain a strong balance sheet with no long-term debt, healthy net worth and adequate liquidity. Government of India's outstanding support on release of fertilizer subsidy has kept the working capital levels at optimum level. As of date, the company has received subsidy due for Urea and imported P&K fertilizer up to 4th week of December 2025 and manufactured Phosphatic fertilizers up to 1st week of January 2026. This provides the foundation for advancing our CAPEX roadmap as detailed in the investor presentation. The Sulphuric Acid-V project was commissioned on 7th January 2026, providing both incremental capacity and cost-efficiency benefits. The project will cater the requirement of Sulphuric Acid for manufacturing of fertilizers like Ammonium Sulphate and Ammonium Phosphate sulphate. Further, the steam-generated there from shall be available for utilization at the Vadodara complex.

Favourable season conditions and healthy Rabi sowing position, the country for a strong harvest with fertilizer requirement for this season largely addressed consequently, only limited incremental demand from the short duration hot weather crop is expected. While the industry may experience cost pressures from the elevated prices of key inputs such as Phosphoric Acid and Sulphur, the company remains focused on disciplined margin management, strategic priorities including optimizing market opportunities and ensuring calibrated inventory positioning to effectively service demand for the upcoming Kharif season, thereby supporting volume stability and supply readiness.

Government of India's ongoing trade facilitation measures, including recently executed FTAs and CEPAs with key companies, are expected to improve market access and competitiveness for Indian chemical exports subject to a product-specific tariff outcome. Caprolactam-Benzene spread are expected to improve in Quarter 4 2025-2026 providing a supportive margin environment. Product rationalization in other ASEAN countries across the Caprolactam-Nylon-6 value chain and at preventing oversupply and moderating price competition has led to a firmer realization in Quarter 3 2025-2026, a trend that is expected to lead near-term stability to the market. Melamine demand is expected to remain steady in domestic markets, with growth anticipated in export markets. HX Crystal volumes are expected to improve across both domestic and export markets. Demand for other industrial products is also likely to hold stable during the quarter.

Overall, the company anticipates consistent demand conditions and stable turnover in the industrial product segment in Quarter 4 2025-2026.

I now turn over the call for questions and answers.

- Moderator:** Thank you very much. The first question is from the line of Nirav Jimudia from Anvil Wealth. Please go ahead.
- Nirav Jimudia:** Yes, sir. Good afternoon. Sir, I have a few questions to ask. Sir, first is on the guidance for the sales volume, if you can share for Quarter 4 and for FY26.
- S K Bajpai:** Sales volume in Rupee terms?
- Nirav Jimudia:** No. Guidance of absolute sales volume for Q4 of FY26, like any guidance which you would like to share as compared to what we have achieved in Quarter 4?
- S K Bajpai:** Actually, Quarter 4 is the lean season for the fertilizer industry. So, there is not that much sale and margin available in Quarter 4. As you can see from the history of the company also, during last two years, the Quarter 4 is not that great as compared to the other quarters of the financial year. Having said that, I have told that we have placed our DAP, Urea and other fertilizers in the market and as per the requirement, it will be provided to the farmers.
- Nirav Jimudia:** Sir, like if we see our manufacturing volumes, we are near to almost 1.5-1.6 million tons. I am talking from the manufacturing point of view. So, you rightly explained this time that there were cost escalations on the Phosphoric Acid, Sulphuric Acid, also on the Sulphur part for Sulphuric Acid production. So, if you just want to share your views, like if we just want to divide our volumes between let's say the manufacturing volumes and the trading volumes what we do, what sort of EBITDA per metric ton which we would be generating on the manufacturing side?
- S K Bajpai:** EBITDA overall, we are generating 5-6% from the...
- Nirav Jimudia:** Sir, if you can share on the per metric ton basis, that would be very helpful because then the prices also keep on changing based on the subsidy and everything.
- S K Bajpai:** EBITDA product wise, like fertilizer, if you see the fertilizer, then Urea, DAP, NPK, APS, Ammonium Sulphate, everywhere there is a different EBITDA. It is not a combined figure available to me, but if you see overall that I can say 5%-6% EBITDA is there in the fertilizer segment.
- Nirav Jimudia:** Correct. And in terms of, because you rightly explained that Q4 generally is a lean season and we tend to provide some sort of discounts also to place our products in the market. But let's say going forward from next year onwards, with this kind of cost escalations which we have seen on the raw material side, how we are going to deal with this situation in terms of a) improvement in the margins and second in terms of improvement in our manufacturing volumes?
- S K Bajpai:** There are two raw materials or key inputs that has shown the abnormal increase in prices. One is the Sulphuric Acid and Sulphur prices, and another is Phosphoric Acid. Ammonia is also trending very high at around \$525 or \$530 per metric ton presently. But for Sulphuric Acid, we have made always in the long-term contract with the suppliers, so we can fix the total purchase

price by keeping like a purchase price fixing in the inception of the financial year. Over and above, we have also capitalized Sulphuric Acid five plants at Fertilizer Nagar Complex which is producing near about 2 lakh metric tons per annum Sulphuric Acid. And it is running very nicely and production is also good. So, whatever the requirement of Sulphuric Acid will be met from our own production, so that is very cost effective and in comparison to the purchase price and the market volatility, we can cater maximum Sulphuric Acid requirement from our own production at Fertilizer Nagar Complex. As far as Phosphoric Acid is concerned, the prices are very high. But let us see how it comes in the next quarter and the government subsidy fixation based on the Phosphoric Acid and Ammonia pricing in the next quarter. So based on that, our margins will be calculated, and margins will be there in the business.

Nirav Jimudia: Second question is on the chemical side. You mentioned that Capro-Benzene spreads have been improving and that could help us to a) improve our volumes, b) improve our profitability. So, let us say the spreads what we have achieved in 3rd Quarter was close to around \$500, let us say at what level of spreads our Caprolactam business should start seeing an improvement in the profitability, whereby let us say it should start covering our fixed and the variable cost?

S K Bajpai: Actually, now it is ranging about \$590 per metric tonne, the spread between Caprolactam and Benzene in January. So, it has improved drastically and it covers the variable cost. Now, why we are operating the Caprolactam, because we are getting the by-product Ammonium Sulphate, which is as a fertilizer, and it is a profitable product for us in fertilizer segment. So even if there is a little negative contribution in the Caprolactam, we do not shut the operation because it cuts the production of the Ammonium Sulphate also. So that is the logic we continue. But by increasing this Capro-Benzene spread to a comfortable level, now I do not foresee that there is a negative contribution in the Caprolactam business.

Nirav Jimudia: But at \$500, there was a negative contribution. So, is it safe to assume that at \$500, possibly we would be losing close to around \$100 at the contribution level?

S K Bajpai: No, not that much. I cannot say what is the negative contribution, but it is not much. It is a slight negative contribution in the Caprolactam. And we are also saving the cost by importing Anone because Anone cost is our own manufactured Anone is higher. So, we are importing anon and by cost cutting, we are cutting the negative contribution also in the Caprolactam business.

Nirav Jimudia: Also, sir, we have seen slightly a fall in the industrial products margin this Quarter. So, was it because of lesser Ammonia trading which in the earlier quarters were a significant contributor to our profitability?

S K Bajpai: That is up to one stage it is correct because the Ammonia prices are again high and our domestic requirement of Ammonia is there. But at that level of Ammonia, the few small players cannot afford to purchase the Ammonia and use that costly Ammonia for their products. So, there is a little less demand in the Quarter 3, but with some reduction in the margin, we also prefer to sell because there was a positive contribution and Ammonia trading is helpful for getting the IP segment in a profitable segment.

- Nirav Jimudia:** Correct. So, let us say, sir, in Quarter 4, how do we see the industrial products? One, you mentioned about the Caprolactam part, but is there any further scope of improvement in the profitability from the industrial product side from other products? And also, how do you see Q4 shaping up in terms of the Ammonia part?
- S K Bajpai:** Ammonia prices are now stable, and we are going for long term Ammonia contract with the buyers. So that will firm up our delta on the Ammonia business and also the requirement from the suppliers, whatever Ammonia they want to purchase for the whole year. Second thing is that this FDA agreement signed by, executed by the Government of India with European Union and now the tariff concessions in America, so that will boost our Melamine exports, not only Melamine but also Caprolactam and HX Crystal products for the export purposes. And the export realization is better than the domestic market. So that is another area we are hoping for a better margin in the IP segment. Third one, we have also taken up with the Government of India because in domestic market realization is not that great and we are only the producer of Melamine, Caprolactam and HX Crystal in India. So, we have requested to Government of India that for protection of our industry and the Atmanirbhar concept of Government of India, there should be some protection available. Otherwise, we are manufacturing and exporting the product and on other side, the other countries are dumping into India. So, some minimum support price or some basic duty structure, we have requested Government of India to form in case of Melamine, Caprolactam and Nylon-6. So, if something comes out positively by the Government of India, then it will further boost up of the IP segment also.
- Nirav Jimudia:** Correct. So, sir, safe to assume here that our Melamine, Caprolactam and HX plant is operating close to 100%. So, whatever would be going for the exports would be a lesser volumes in the domestic market. Is the correct assumption to make?
- S K Bajpai:** Yes, that's correct.
- Nirav Jimudia:** Sir, last two questions from my side. So one, sir, based on our fertilizer production of let's say close to around 1.5 million tons on an annual basis, put together from both the complexes, how much Ammonia and Sulphuric Acid would be required on an annual basis?
- S V Varma:** For Ammonia for both the units you are looking for? See the requirement in both the units it varies between 5.5 lakhs to 6 lakhs tons per annum considering the capacity operations for 16 lakhs to 18 lakhs. Ammonia. And in case of Sulphuric Acid, it is slightly in the same range only.
- Nirav Jimudia:** 6 lakhs, right?
- S V Varma:** Yes.
- Nirav Jimudia:** The last question from my side, like anything we are hearing from the government in terms of revision in the fixed cost for the Urea business, also on the revision in the energy consumption norms, anything if you can share your thoughts, because I think some of the meetings have happened. So, if you can share your thoughts, it would be very helpful.

- S K Bajpai:** Now fixed cost data as required by the Government of India, we have already submitted along with the other fertilizer producers. So now it is the Government of India's turn to come up with the final fixation of fixed cost, because till now this cost fixed by the government is very old and it is not sustainable. Any increase in the fertilizer fixed cost or Urea fixed cost will be further helpful for the Urea producers in fertilizer sector. What was the second question?
- Nirav Jimudia:** Revision in the energy consumption norms.
- S K Bajpai:** Energy consumption, actually we have already revamped our Urea-II plant. So, we are meeting with the Urea-II energy now fixed by the Government of India. And as per the minutes and best information available to me, we are continuing the reimbursement of subsidy for further three years on the same energy consumption. So that will be the additional benefit available to GSFC, because presently it is coming around 5.9 to 6 Gcal metric ton of production of Urea.
- Nirav Jimudia:** Thank you so much, sir, and wish you all the best.
- S K Bajpai:** Thank you. Thank you.
- Moderator:** The next question is from the line of Saket Kapoor from Kapoor & Co. Please go ahead.
- Saket Kapoor:** Sir, majority of everything has been covered by our learned participant. Thank you to him for very calibrately asking all the questions. Sir, only one point about the Sulphuric Acid plant which was commissioned in the month of January. What would be the benefit that we will be attributing to for this quarter in terms of the backward integration that would be for our capital use?
- S K Bajpai:** Sulphuric Acid-V project is commissioned in January, somewhere in the first week of January 2026, and it is operating nicely and the benefit will be available for the next two months in the coming quarter and again for the whole year next year. If you see that production capacity is 2 lakh metric ton per annum for the Sulphuric Acid plant, and as you know, the present Sulphuric Acid price is more than Rs. 17,000 per metric ton in the Indian market and more than \$500 per metric ton of Sulphur cost in the international market. So, till the time this ICM countries have banned the export of the Sulphuric Acid, that's why the prices are high, and this is a very good thing for GSFC that we have commissioned this plant at a very appropriate time. So, we will be having this, our own manufactured Sulphuric Acid available for the production of Ammonium Sulphate and Ammonium Phosphate Sulphate. So, that impact will be not that big as in the increase in the pricing of Sulphuric Acid in the Indian market. So, we will curtail certain portion of the cost increase by replacing our own manufactured Sulphuric Acid.
- Saket Kapoor:** That will not be a meaningful value, sir, on an annual basis, the savings that will be accrued?
- S K Bajpai:** Apart from this, steam is also available from the Sulphuric Acid plant, no? So, that steam is also useful for operation of other plants and our steam production from the boilers will be stopped, so natural gas consumption will come down. So, if you want to monetize this, I think it is near about Rs. 100 crores per annum advances available by commissioning of this project.

- Saket Kapoor:** Right. Also, sir, we were also contemplating some de-bottlenecking and some changes in our fertilizer lines, wherein we would be able to manufacture, I think, so Ammonium Sulphate from the lines which were not being attributed to that. There were some things we were working on. So, where are we, sir, in terms of that tinkering with the production lines that was anticipated?
- S K Bajpai:** Yes, there is one line, I think you are talking about this Sikka, where the DAP one time we were producing and we are converting it for the fungible production for ASP and DAP, whatever is the requirement of the market. So, that product is as per the schedule and we will be completing this by the end of September this year. So, that facility is available and we will be producing the Ammonium Phosphate Sulphate in the line of DAP whenever the requirement of APS is there in the market.
- Saket Kapoor:** Right, sir. Pardon me, I have not checked, but labour code, in fact, in terms of the employee cost, have you factored into our numbers or there will be any revision because of that?
- S K Bajpai:** You are talking about new labour code?
- Saket Kapoor:** Yes, the new labour code.
- S K Bajpai:** As per the information and notification available with us, so whatever we could get it clearly, we have provided liability provisions in our books of account in Quarter 3 for the fixed-term employment employees. However, most of the provisions we are already doing as a very government-promoted company, we are meeting all the requirements as per new labour code. However, rules are still pending to be notified as soon as it comes. So, rest of the things we will see and make the provisions, there is no problem. But there is no huge impact as far as GSFC is concerned because we are already meeting most of the provisions.
- Saket Kapoor:** Sir, what I could gather from the previous participant's question and your answer that for IP, the environment is now conducive and the profitability barring the market conditions are expected to improve for the ensuing quarter. This is what the underlining factor, whether it is the Caprolactam-Benzene spread or the higher prices for Melamine. Is that understanding correct there, sir?
- S K Bajpai:** Yes, very much, because by putting little efforts in the export of Melamine, we have turned out to be positive margins in the coming quarter and in the next quarter and henceforth, since the Caprolactam-Benzene spread is improving and the FTAs signed by the Government of India with the European market and tariff concessions in the US, we are again looking for this export of Melamine and Caprolactam and third one is HX Crystal to this market where the realization is better than the domestic market.
- Saket Kapoor:** Okay. And sir, lastly, I think the HX Crystals where I think we were selling this product because of the lower prices for Caprolactam, correct me there. So, currently, how does the metrics work with the improvement in the spread? How are we placed in terms of this HX Crystal product

because here also you have mentioned that volumes are expected to improve so if you could just explain the value chain?

S K Bajpai: HX Crystal product is our own R&D created product, and it is well accepted by the market, but we have the 100% capacity of the Indian market because we are only the producer. So, sometimes if the import is cheaper than our realization price, then we may look for the export of the HX Crystal. So, that is my sense that in export market, the realization is better than domestic market. So, that will provide an extra advantage for the new product and as far as Caprolactam is concerned, it is the Caprolactam and Benzene spread has reached to a comfortable level where the contribution is positive. So, that will again boost the IP segment result in Quarter 4.

Saket Kapoor: Okay, so just a small clarification, then where does HX Crystal fall into place in the value chain? So, we were selling HX Crystal since the realizations were higher instead of selling Caprolactam or correct me there, how the metrics work here?

S K Bajpai: No, HX Crystal, the contribution is better, margins are better than the Caprolactam. So, we are trying to run the HX Crystal at the full level rather than the Caprolactam because when the Caprolactam price is not good, that is why we have developed this HX Crystal and we are diverting one of the intermediate product HS to the HX Crystal and where the margins are better than the Caprolactam. So, we always prefer to use the full capacity of HX Crystal and gain better margins rather than selling the Caprolactam at lower price.

Saket Kapoor: Well, thank you for all, in case any clarification, I will come back. Thank you to the entire team sir and all the best. Thank you.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity. Sir, I wanted to understand regarding our Sulphuric Acid the one that we have commissioned and the one that is expected in FY28. Sir, so it seems that there is going to be a lot of Sulphuric Acid availability in Gujarat due to Kutch Copper Commissioning. Sir, so do we see that the payback period for these CAPEX decreasing once the production commercializes or Sulphuric Acid availability increases?

S K Bajpai: The market availability and supply factor is not fixed, it keeps changing. But our Sulphuric Acid plant is commissioned for meeting the own requirement of Sulphuric Acid in Ammonium Sulphate and Ammonium Phosphate Sulphate. So, we are not going to sell in the market whatever the price Sulphur is available at for the GSFC we produce Sulphuric Acid and consume it in the fertilizer production. So, there will not be a very negative impact whatever the price of Sulphuric Acid may be in the future. As far as payback is concerned that if Rs. 100 crores is really the margin available in the first year, so we will be payback in 2-3 years. So, there will not be any risk available for the company for the payback of the Sulphuric Acid plant.

- Madhur Rathi:** Sir, so we don't see any scenario where due to production increasing at Kutch Copper, the next Sulphuric Acid capacity of 6 lakh metric ton that will be commissioning for that payback period to increase further?
- S K Bajpai:** I don't think so because I don't know when this chemical facility will be shaping up and the Sulphuric Acid is coming in the market. But as far as we are concerned and looking to the present pricing of the Sulphuric Acid, we will be recovering our cost in 2-3 years.
- Madhur Rathi:** Got it. Sir, we mentioned that currently Sulphur cost is Rs. 500 per metric ton and Sulphuric Acid is Rs. 17,000 per metric ton. Sir, do we see this prices to remain steady for the next 1 or 2 years or where do we see the realizations for both of these raw material as well as the finished product?
- S K Bajpai:** It is very difficult to comment upon because as you rightly said demand and supply position fixes the prices. If some new suppliers are coming in the market or other Asian countries like China and Russia start exporting the Sulphuric Acid, the Sulphur, then the prices of this Sulphur and Sulphuric Acid will come down drastically in the near future.
- Madhur Rathi:** Sir, pardon my ignorance but why has the prices risen so much?
- S K Bajpai:** Because the other countries have stopped supplying in the international market. So, there is supply and demand gap. So, whatever Sulphuric Acid is required for the fertilizer as well as for other industries, it is not supplied by the other foreign markets like China, Russia, they have stopped supplying Sulphuric Acid. I think in my opinion, this is one of the reason of this high prices of Sulphur and Sulphuric Acid.
- Madhur Rathi:** Okay, sir. Sir, thank you so much and all the best.
- Moderator:** Thank you. The next question is from the line of Nirav Jimudia from Anvil Wealth. Please go ahead.
- Nirav Jimudia:** Yes, sir. Thanks for the opportunity again. Sir, just a clarification on the Ammonia and Sulphuric Acid part. So, you mentioned that we require close to around 5.5 lakh to 6 lakh tons of Ammonia. So, how much of this would be met through our own production and how much we are importing?
- S K Bajpai:** Around 4.2 to 4.5 we are meeting from our production; rest we are importing.
- Nirav Jimudia:** Correct. And sir, after this expansion of 1,98,000 tons of Sulphuric Acid, how much is our capacity now for Sulphuric Acid?
- S K Bajpai:** Sulphuric Acid capacity will go to around, near to the 100% capacity requirement of Baroda unit and slightly we will be requiring it at Sika around 1.6 lakhs to 2 lakhs based on the product mix at Sikka.

- Nirav Jimudia:** Correct. So, let us say for Sulphuric Acid, possibly also we will be producing the similar amount of 4.5 lakh tons and 1.5 lakh tons we are buying from the outside market, right?
- S K Bajpai:** Correct.
- Nirav Jimudia:** Sir, second question is on the Urea part. You mentioned that we have revamped and our energy consumption in Gcal per metric ton have come down, let us say from earlier 6.4, 6.5 to now 5.9 to around 6. So, how does it help us in terms of the profitability and also is this CAPEX what we have incurred for revamping our Urea part, are we getting some fixed compensation from the government like earlier they used to give us in a period of 4-5 years? So, if you can help us about these aspects that would be very helpful.
- S K Bajpai:** Urea plant was very old plant of 1969. So, anyway we have to revamp this plant because of the old technology and the very poor condition of the plant. So, we had to incur this revamp facilities at Urea-2. Urea-1 plant we have already stopped because that machinery is not useful and it is of 1967. Whatever the Government of India has been giving some money to other companies for this CAPEX, in case of GSFC we are not getting anything by way of fixed cost. However, they have acceded to our request of providing the subsidy at the old rate even after the consumption of energy at the old rate. So, that will benefit as a payback period of 5 years' time for GSFC of the capital expenditure of around Rs. 350 crores to Rs. 400 crores.
- Nirav Jimudia:** So, every year we would be possibly saving around Rs. 80 crores from the Urea.
- S K Bajpai:** That is up to you to calculate but I have told that around 4 to 5 years we will be recovering the cost.
- Nirav Jimudia:** Sir, also on the industrial product side, are we thinking of any newer products or expansion into the existing product line because HX plant has been consistently operating at around 100%. So, are we thinking any expansion there or introduction of any newer products?
- S K Bajpai:** In the IP segment, we have appointed one BCG consultant, Boston Consultancy Group and they are in the process of preparing this 10-year growth strategy and roadmap for GSFC. So, we have already acquired the land at Dahej. So, any further facilities of IP products will be put in there. So, here in Fertilizer Nagar complex, there is hardly any space available to put any new facility. So, now we are going to shift our production facilities at Dahej. So, as per this report, final report of the BCG and getting approval from the Board, we will execute this start of putting new facilities in the IP segment.
- Nirav Jimudia:** So, is this expected in next 6 to 12 months, this final report or it would take a slightly longer term?
- S K Bajpai:** No. It will come in the next 6 to 12 months. I think the report will be there.

- Nirav Jimudia:** And also, sir, this BCG, what we have hired is only for helping us in the growth path or would they also be helping us in terms of reduction in some of the operating cost?
- S K Bajpai:** Yes. In both the operational efficiency also, they are advising us. So, whenever there is a gap, so we are filling the gap and operational efficiency will be achieved and this growth strategies also they are submitting their report.
- Nirav Jimudia:** Okay. So, the areas for improvement in the operational efficiencies have been identified or they are yet to be identified, sir?
- S K Bajpai:** They have been identified. There are low-hanging fruits which we have already in the process of implementing. However, there are certain mid-term and long-term. So, that will be executed as per the scheme and implementation of the scheme in the near 6 months to 1 year time.
- Nirav Jimudia:** Sir, any quantification in terms of benefits if you can share, is it possible to share in terms of any quantitative benefits which could happen to us on an annual basis? Any thoughts?
- S K Bajpai:** At least 40 crores of operational efficiency, they have identified certain schemes and that will be achieved by the company in the near future.
- Nirav Jimudia:** Got it. Thank you so much, sir.
- Saket Kapoor:** Thank you.
- Moderator:** As there are no further questions from the participants, I now hand the conference over to Mr. S. K. Bajpai from GSFC Limited for closing comments.
- S K Bajpai:** Thank you participants for the very good questions and elaborative questions on the performance of the company. It is a pleasure to talk to all of you and thanks again for participating in this conference call. Thank you very much.
- Moderator:** Thank you. On behalf of GSFC Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.