GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED
Fertilizernagar - 391 750. Vadodara, Gujarat, INDIA.
CIN : L99999GJ1962PLC001121

NO.SEC/SE/REG-30/2026 **7th November, 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**

Dear Sir / Madam,

Sub.: Transcript of the Investor ConCall held on Wednesday 4th November, 2026

We refer our submission vide letter dated 31st October, 2026 wherein the intimation was made that the Conference Call with Analysts was scheduled on 4th November, 2026 from 13:00 hours (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

Digitally signed by NIDHI PILLAI
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“Gujarat State Fertilizers & Chemicals Limited

Q2 FY27 Earnings Conference Call”

November 04, 2026

MANAGEMENT: MR. S.K. BAJPAI – SENIOR VICE PRESIDENT, FINANCE AND CHIEF FINANCIAL OFFICER – GUJARAT STATE FERTILIZER & CHEMICALS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Gujarat State Fertilizers & Chemicals Limited Q2 FY27 Earnings Conference Call. This call is being hosted by Anurag Services LLP on behalf of GSFC Limited. Representing the management, we have Mr. S.K. Bajpai, Senior Vice President of Finance and CFO alongside with other senior executives.

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 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. S.K. Bajpai, Senior Vice President of Finance and CFO of GSFC Limited. Thank you, and over to you, sir.

S.K. Bajpai: Okay. Thank you. So good afternoon, everyone. Thank you for joining us for Q2 2027 earnings call for 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 you had a chance to review the financial results, media release and investor presentation available on the stock exchanges and also on our company's website.

If we see consolidated financial performance, sales is up by 49% in Q2 Y-o-Y basis. However, PBT and PAT is reduced by 42% and 38%, respectively. If we see consolidated H1 number Y-o-Y basis, then we have 55% growth in the sales revenue to INR8,324 crores. However, PBT and PAT again is down by 26% and 22%, respectively. We see quarter-over-quarter, there is an increase of 32% in sales value to INR4,741 crores. However, PBT and PAT, it is INR249 crores and INR200 crores, that is up by 22% and 26%, respectively.

So the company has delivered its ever highest Q2 and H1 top lines, achieving total sales of INR4,711 crores on a stand-alone basis in quarter 2 '26-'27, a Y-o-Y growth of 50% and INR8,293 crores in H1, '27, a Y-o-Y growth of 56%. In quarter 2 '27, the Fertilizer segment recorded a 55% Y-o-Y growth in sales value, increasing by INR1,387 crores, despite 6% decline in sales volume from 6.08 lakh metric ton to 5.69 lakh metric ton. The growth was primarily driven by the higher DAP realization, with DAP revenue increasing by INR1,659 crores, supported by the government's DAP special package to compensate for international price variations.

However, sharp increases in key raw material costs, particularly sulfur by 327%, natural gas by 62%, significantly impacted margins, compressing EBIT of the Fertilizer segment to INR17 crores only compared with INR224 crores in quarter 2 '26. Urea subsidy remains subject to revision following finalization of the actual pool gas rate by FICC and GAIL, which has been pending since April '26.

The Industrial Products segment continued its positive performance in quarter 2 '27 also with sales increased by INR185 crores, registering a 30% growth over Q2 '26. EBIT improved from INR54 crores to INR66 crores. The improvement was supported by better realization across major products in line with the market trends. Sales of caprolactam and nylon increased by

INR58 crores and INR60 crores respectively, mainly due to higher realizations, while Anone sales increased by INR36 crores, driven by higher volumes.

TGU sales also increased by INR26 crores, partly offset by INR5 crores decline in melamine sales. The capro-benzene spread improved significantly from USD 512 per metric ton to USD 849 per metric ton.

Overall, against the backdrop of highlighted year -- heightened geopolitical uncertainty and evolving global supply chain dynamics, the company sustained uninterrupted operations and ensured supply continuity during the quarter, while some movement in key raw material prices put pressure on profitability, agility in product mix, responsive production planning and timely pricing actions enabled the company to mitigate the impact and defend core margins across business segments.

We continue to maintain a strong balance sheet with no long-term debt, healthy net worth and adequate liquidity. As on 30th September '26, the company had received subsidy due for P&K fertilizers up to September. And in case of urea, up to October, third week, respectively. The company continues to advance its capex plan aligned with a strategic growth road map. C-Train modification for 1,200 metric ton per day APS production in place of DAP as per market requirement at Sikka unit was commissioned on 23rd October '26.

The country will enter the Rabi season with comfortable fertilizer inventory levels, the highest in the past 3 years, particularly for the urea and NPK grades, intensifying competitive pressure across the industry. The subdued southwest monsoon and lower reservoir levels, especially in the Southern India, are likely to constrain fertilizer demand.

The prevailing price distortion between DAP and NPK fertilizers continues to influence farmers' purchase preferences, adversely affecting NPK offtake. The forthcoming NBS subsidy rates will play a vital role in particularly mitigating elevated raw material costs and addressing price distortions.

Concurrently, any easing of geopolitical tensions in the Middle East and Europe could soften international raw material prices and provide relief to industry margins. The caprolactam-benzene spread is expected to moderate in quarter 3 '27 as regional supply normalizes, potentially impacting margins across the caprolactam-nylon value chain.

Demand for melamine and technical grade urea is expected to remain steady, while HX crystal exports may improve amid subdues domestic demand. Other industrial products are projected to maintain steady demand, delivering reliable baseline stability to the segment.

I'll now turn over the call for questions-and-answers.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Saket Kapoor from Kapoor & Co.

Saket Kapoor: Yes. First question, in terms of the capex program. My voice is echoing...

S.K. Bajpai: No, it's good. It's good.

Saket Kapoor: In terms of the capex program, which was alluded to us during the first con-call that we are contemplating some capex at Sikka also and some forward integration. So where are, sir, in terms of the capex schedule from large chemical complex [inaudible 0:08:27]?

S.K. Bajpai: Yes. As far as capex is to be put in the Sikka, we have finalized the PA, SA project at Sikka because phosphoric acid prices and sulfuric acid prices remains very volatile in international market. So it is better to have our own sulfuric acid production capacity at Sikka, so that DAP and other NPK grades of fertilizers can be produced at this reasonable cost.

So we have financed this project at around INR3,000 crores and awarded the EPC contract recently. And this will take around 33 months to complete the completion activity, and then the production will start.

Saket Kapoor: And how will the metrics work in terms of the asset turnover and margin profile and other aspects?

S.K. Bajpai: This depends upon at that particular point of time when the production starts, what are the prices in the international level of the PA and sulfur, especially and rock. Because rock -- for the rock, we are going to enter in the long-term contract. But the -- while entering into the contract, no contractor is ready to fix the pricing. So it will prevail as on date -- the particular date where the material is purchased. So that price will prevail as per the market conditions.

But presently, we see that it has a comfortable 20% margin if we go by the PA production route rather than the purchasing of phosphoric acid and sulfuric acid.

Saket Kapoor: There will be margin addition and our dependence on the raw material fluctuation will also go down.

S.K. Bajpai: Yes, yes. That's correct.

Saket Kapoor: And by what percentage sir, we will be captively consuming it?

S.K. Bajpai: It is 50% actually. So whatever the total requirement for DAP and NPK fertilizers, 50% of the requirement will be met from the captive consumption.

Saket Kapoor: Can you mention the time line of completion?

S.K. Bajpai: It is 30 to 33 months.

Saket Kapoor: 30 to 33 months. Alright sir, lastly, in terms of there have been market conditions are different for market capitalization. But other than that, what kind of value creation exercise can the Board envisage going ahead for your investors? And what can we expect in terms of what is the value creation exercise if anything has undertook in terms of buyback or any other activities?

S.K. Bajpai: No. Actually, whatever money in the project we are putting in whatever the restrictions in the capacity utilization in Sikka. So by putting this facility, we are sure that we will be optimizing

the capacity utilization at our Sikka plant. However, as far as buyback and other measures are concerned, still there is no discussion in the Board and at appropriate levels, we will discuss and then come back to you.

Saket Kapoor: Lastly, the subsidy receivable part, we see closing balance of INR3,400 crores, and you mentioned about subsidy amount for urea received for October. So what is now to the closing balance or how much we have received on account of urea?

S.K. Bajpai: No, urea, we have received, I think, up to the last -- third week of October, all the subsidies. And there is not much impact on the urea because in the total subsidy bill, if you see the DAP and NPK grades of fertilizers, it carries a lot of amount because of the high prices of sulfuric acid and ammonia.

So in case of urea, we are comfortable as far as the subsidy is concerned, and it may impact INR100 crores, INR200 crores only. But since the regular production is there and regular sales of urea is there, so again, we will create the bills and it will be on the same level.

Saket Kapoor: So you are mentioning that out of the closing balance of INR3,400 crores, only INR200 crores, INR300 crores is what is attributable to urea other than NPK and DAP?

S.K. Bajpai: Yes.

Saket Kapoor: Sir, lastly, sir, on the H2, how do you think currently the H2 will shape up? I think this is very difficult to give any understanding on how the margins and all will shape in such so much volatility. But taking into account metrics which we do our business plan, what should be the understanding for H2?

S.K. Bajpai: Saket, it is a very difficult question, as you rightly say. But yes, if you ask, I will give the question a level of optimistic answer because subsidy rate, what is going to be announced by the government with effect from 1st October to 31st March '27 for 6 months. These are a very vital information, which will come from the government.

Until now, there is no notification published in this regard. However, we have started the production and we are hopeful that whatever information we are having, if that rate is increased and approved by the government of India at top level, then there will not be any problem.

Whatever the deficit in the profits we have incurred during the last quarter, this will be compensated in the next quarter. So that I can say. And for the next 6 months, I think it is a very good 6 months, I think H2 for the company. There is no doubt about it.

We are taking certain measures based on the growth strategy suggested by BCG. So there is some cost-cutting measures we are already applying at our Sikka plant. So that will be fruitful for the H2, I think.

Saket Kapoor: So what kind of margin efficient are you working on, sir? Barring this subsidy aspect also? What kind of incremental margin can we expect because of the efficiencies which you have just spoken?

S.K. Bajpai: The subsidy is very important because whatever margins are coming, it is from subsidy. If the subsidy goes out, then there is no margin in any of the fertilizers. So subsidy rates are very important for us, even whatever the current level or whatever the increased level. So until unless we come to know what is the levels of the NPK grades they are giving us, it is very difficult to what percentage of margin we will be having.

But as far as DAP is concerned, you know that it is fully compensated by government of India by way of advantage, disadvantage regulations. And in DAP, we are getting 4% margin. In urea, hardly there is any margin of around 3%, 4%. So NPK grade of fertilizer, only the margins can be determined after receiving the NPK and grade of subsidy rates effective from 1st of October. And based on that, we will calculate the margin.

Saket Kapoor: Sir, I was just looking at the efficiency part, which you are mentioning that will come into play for H2. So have you quantified the same? I got your point. The major is the subsidy rates only. Other than that, the operational efficiency anything to take on more?

S.K. Bajpai: Yes, operational efficiency, whatever, because of the solar power arrangement by the company in place of the costly power purchased from the electricity boards. So that will increase unit as a whole, not as a particular product because whatever DAP, NPK grades or ammonium, phosphate, sulfur, whatever we are producing at Sikka, it will be distributed among the all products. So it will be difficult how percentage will be impacted. But we can quantify as the amount terms that around INR20 crores to INR25 crores per quarter, we can gain out of it.

Moderator: The next question is from the line of Burhanuddin Solanki, an Individual Investor.

Burhanuddin Solanki: Yes, sir. Sir, my first question was on the distribution strategy. What will be our distribution strategy over the long-term pan-India?

S.K. Bajpai: As far as distribution of fertilizer is concerned, this is decided by the government, urea and other fertilizers. So we have hardly any role to play in the distribution. Wherever the requirement of the fertilizer is there and it is inspected by government of movement division of the Department of Fertilizers, accordingly, we have to supply the materials to the pan-India level.

Burhanuddin Solanki: Okay. And about investment Industrial segment?

S.K. Bajpai: Industrial segment, whoever wants to purchase, we sell, but it depends from where the market demand is there. So we have the regular customers whoever comes, we sell to pan-India level.

Burhanuddin Solanki: Okay. And my second question was on, can you tell me your views on the sustainability of industrial segment growth and profitability.

S.K. Bajpai: Yes, Industrial segment performed very well this quarter, around 30% sales growth is there and EBITDA has also increased. So now the chemical sector as far as the input of fertilizer is there are now, whatever increase is there, the chemical sector has also the pain due to this geopolitical situation and the pricing of the chemical has also increased.

So wherever we have the margin by using our own captive consumption of the raw materials and the product mix. Then we have a better margin, in fact, in the chemical side because there is no control in the MRP or something like that as in case of the fertilizers. So we certainly have a better prospect in the IP segment, henceforth also.

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: Yes. Thank you for all participating, joining and asking the questions, and Happy Diwali to all of our customers and investors. And I hope that the next quarter and the H1 of the next financial year will be good for -- not only for the company but for all the investors. And thank you for the patient hearing. Thank you.

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