



**CHAMBAL FERTILISERS AND CHEMICALS LIMITED**

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May 20, 2026

**BSE Limited**

Phiroze Jeejeebhoy Towers  
25<sup>th</sup> Floor, Dalal Street  
Mumbai - 400 001

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E)  
Mumbai - 400 051

Dear Sir,

In continuation to our letter dated May 9, 2026 and pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of Analysts/Investors conference call held on May 15, 2026, on the financial results of the Company for the quarter and year ended March 31, 2026. The said transcript is also available on the Company's website at - <https://investor.chambalfertilisers.com/EarningCallTranscripts.html>

You are requested to notify your constituents accordingly.

Thanking you,

Yours faithfully,  
For **Chambal Fertilisers and Chemicals Limited**

**(Tridib Barat)**

Vice President - Legal & Company Secretary

**Encl.: a/a**

**Chambal Fertilisers and Chemicals Limited**  
**Q4 FY '26 Earnings Conference Call**  
**May 15, 2026**

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**Moderator:** Ladies and gentlemen, good day and welcome to the Chambal Fertilisers and Chemicals Limited Q4 FY '26 Earnings Conference Call hosted by Valorem 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 this conference call, please signal the operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you ma'am.

**Purvangi Jain:** Thank you. Good morning, everyone, and a warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the Investor Relations of Chambal Fertilisers and Chemicals Limited. On behalf of the company and Valorem Advisors, I would like to thank you all for participating in the company's earnings call for the 4th Quarter and Financial Year ended 2026.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by, and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Let me now introduce you to the management participating with us in today's earnings call and hand it over to them for their opening remarks. We have with us Mr. Abhay Baijal, Managing Director, Mr. Narinder Goyal, Business Head - Manufacturing Operations, Mr. Anuj Jain, Chief Financial Officer, Mr. Ashish Srivastava, Vice President - Sales & Marketing, Mr. Tridib Barat, Vice President - Legal and Company Secretary, and Mr. Vivek Misra - Business Head of TAN.

Without any delay, I request Mr. Abhay Baijal to start with his opening remarks. Thank you, and over to you, sir.

**Abhay Baijal:** Thank you, Purvangi, and good morning, everyone. Thank you for joining us in this conference call to discuss our performance during 4th Quarter and Financial Year ended 2026.

The Indian fertilizer industry faced a challenging environment in 2026 marked by global geopolitical uncertainties, elevated energy prices, and volatility in key raw material markets. India's agricultural fundamentals remained resilient, supported by a favorable Southwest monsoon at 108% of the long period average and the reservoir levels at 126% of normal and strong crop sowing activity across both Kharif and Rabi seasons.

Kharif acreage stood at 112 million hectares and Rabi sowing at around 68 million hectares resulting in record food-grain production of nearly 348 million tons. The Indian agriculture sector grew around 2.4% in FY '26 despite uneven climatic conditions. India achieved a record fertilizer production of 503 lakh metric tons during FY '26 Urea, NPK and DAP reflecting continued capacity expansion and improved product availability across regions.

Fertilizer demand also remained healthy during the year while the government continued to support the industry through stable urea pricing, robust subsidy allocation, DBT implementation and close coordination with industry participants to ensure uninterrupted supply across the country.

Ahead of the Kharif 2026 season, the total fertilizer inventory stood at around 200 lakh metric tons equivalent to about 51% of seasonal requirement as compared to the normal level of 33% supported by strong advanced stocking and efficient logistics management.

During Q4 FY '26, geopolitical tensions in West Asia led to sharp volatility in global fertilizer and energy markets. India continues to remain dependent on imports for key raw materials such as LNG, ammonia and Sulphur.

During the quarter, disruptions in supplies from Middle East resulted in volatility in availability and pricing across the industry. For instance, ammonia prices increased sharply to around \$850 to \$900 per ton while Sulphur prices also increased from \$900 to \$950 per ton. Elevated LNG prices further pressured import economics for the industry.

Given India's import dependence for key raw materials, the sector faced higher sourcing costs, supply disruptions and logistics constraints during the quarter. Although the government raised the NBS subsidy rates upwards by about 10%, industry margins would remain under pressure due to high raw material costs and rupee depreciation.

During the quarter, the government also took measures to prioritize gas availability for domestic urea manufacturers, which helped limit the impact on production to a very large extent. However, lower gas availability during part of the quarter impacted the capacity utilization slightly and energy efficiency for the sector.

Domestic phosphatic fertilizer production increased during FY '26, while imports of DAP and NPK fertilizers also rose sharply to ensure adequate availability. Within the phosphatic segment, NPK fertilizers continued to gain share, while companies increased diversified sourcing across Southeast Asia, Africa, Canada, Russia and China to reduce supply chain risk and improve sourcing security.

From an agricultural perspective, the year remained broadly favorable. Reservoir levels across key agricultural states remained healthy and supported strong crop-sowing activities, both Kharif and Rabi seasons. Rabi acreage witnessed healthy growth led by wheat, pulses and oilseeds, while early indicators for the upcoming Kharif season also remain encouraging. Rural demand trends also continued to remain supportive for fertilizer consumption across regions.

With this backdrop, let me move to our operational and financial performance for the 4th Quarter of FY '26. Our crop protection, chemicals and specialty nutrients business delivered another year of strong growth during FY '26, driven by higher market penetration, expanding product portfolio and improved contribution from value-added offerings. Business continued to witness strong growth in both revenues and margins, with contribution increasing by around 27% Y-o-Y.

During FY '26, we launched 17 new products, spanning herbicides, fungicides and insecticides, while strengthening our presence across key crop segments and geography. We also continued to build a healthy innovation pipeline with 14 new crop protection products and one speciality nutrient product planned for FY '27.

The biological business continued to scale up well, with robust increases of about 30% in volumes and 57% growth in revenues, reflecting increased farmer adoption of sustainable agricultural solutions.

UTTAM PRANAAM, our Biogenic Nano Phosphorus product introduced in Q1 FY '25, witnessed significant increase in contribution during FY '26. The product is developed through a biogenic process and contains 10% P<sub>2</sub>O<sub>5</sub> with encapsulated biomolecules such as polysaccharides and lipoproteins.

Two of our biological products, UTTAM SUPERRHIZA and UTTAM PRANAAM, have now covered almost 3 million acres since launch, supported by increasing awareness and field-level demonstrations.

During the year, we also introduced a water-soluble variant, powder variant of UTTAM SUPERRHIZA, targeted at precision farming, drip irrigation and high-value crops.

Further strengthening the portfolio, we launched four new biological products across Fungicide and Nematicide categories during the year. Additionally, we partnered with TERI to establish the CFCL - TERI Centre of Excellence for Advanced and Sustainable Agricultural Solutions, which will focus on research and development of next generation agricultural technologies.

Coming to our seed business, we expanded our portfolio during FY '26 with the introduction of new products across wheat, maize, mustard and bajra categories. The initial farmer response and field performance have been very encouraging, and we continue to strengthen our product portfolio. The coming year will be increased emphasis on cereal and research varieties.

Our bulk fertilizers business delivered a robust performance during FY '26 despite a volatile ...

**Moderator**

Ladies and gentlemen, the line for the management has been connected. Over to you, sir.

**Abhay Baijal:**

Coming to our seed business, we expanded our portfolio during FY '26 with the introduction of new products across wheat, maize, mustard and bajra categories. The initial farmer response and field performance have been very encouraging, and we continue to strengthen our product portfolio. The coming year will be seeing increased emphasis on cereal and research varieties.

Our bulk fertilizers delivered a robust performance during FY '26 despite global volatile operating environment. The phosphatic and potassium fertilizer portfolio segment performed well during the year, supported by effective sourcing strategy and inventory planning and timely market placement.

We also secured product availability for upcoming Kharif season despite continued uncertainty in global, raw material market and supply chains. The urea volumes for the year were impacted by an unscheduled shutdown at one of our plants in Quarter 1, which temporarily affected production during the period.

During FY '26, our engagement initiatives continued to strengthen on digital platforms and outreach programs, our social media presence expanded significantly during the year with both Facebook and YouTube platforms crossing 100,000 subscribers, where our YouTube channel received the Silver Play button recognition.

The Chambal Uttam Krishak Mitra app crossed 100,000 downloads during the year, reflecting growing farmer participation and engagement. We also conducted multiple digital knowledge sessions, product awareness campaigns and farmer education initiatives aimed at improving outreach and strengthening connect with the farming community.

Our technical ammonium nitrate project achieved significant progress during FY '26 and has now entered the commissioning phase. Dry run for the weak nitric acid plant has commenced and subsequent commissioning activities for downstream TAN, including AN Melt and HDAN products, are also underway. The project is being developed using state-of-the-art technology from Casale, Switzerland and has a capacity of 240,000 metric tons per annum, representing Chambal's strategic entry into industrial and mining chemicals, marking another important step in the company's growth journey. The initiative is aligned with India's broader focus on Atmanirbhar Bharat, domestic manufacturing, infrastructure development and energy security, while also creating a new long-term growth avenue for the company.

Finally, let me walk you through the details of the financial performance for the period under review. On a standalone basis, the 4th Quarter Financial Year, 2026, revenue from operations grew 14% year-on-year to about Rs. 2,785 crores. EBITDA for the quarter, Rs. 255 crores, up 56% year-on-year with EBITDA margin at 9.16%. Profit after tax was INR 145 crores, up 46% year-on-year with PAT margin of 5.22%.

For the financial year ended 2026, standalone revenue operations increased 25% year-on-year to Rs. 20,794 crores. EBITDA rose 8% year-on-year to Rs. 2,679 crores, with EBITDA margin at about 12.88%. Profit after tax for the period grew 18% year-on-year to Rs. 1,950 crores, with PAT margins at 9.38%.

On subsidy receivables and subsidy flows, we received a subsidy of around Rs. 2,048 crores during the quarter as compared to Rs. 1,592 crores in the corresponding quarter last year. During FY '26, our subsidy receipts stood at approximately Rs. 12,276 crores, broadly in line with Rs. 11,945 crores received in the same period during last year. As of 31st March 2026, total receivables stood at about Rs. 2,075 crores, comprising market debt of Rs. 121 crores and subsidy receivables of Rs. 1,954 crores.

Coming to segmental performance, our Urea segment delivered stable performance. Urea revenues in the quarter came in at about Rs. 2,432 crores, an increase of 8%. EBIT margins improved significantly to about 7.83%. Sales volume was marginally higher at 6.72 lakh metric tons as compared to 6.3 lakh metric tons in the same quarter.

During FY '26, we saw a minor decline in the Urea segment with revenue at around Rs. 12,566 crores, lower by 5% year on year, while EBIT margins remained steady at 14.6%. Sales volumes declined 2% to stand at 34.06 lakh metric tons as compared to 34.7 lakh metric tons last year.

In the Complex Fertilizer segment, revenues increased significantly to about Rs. 323 crores in the quarter, reflecting year-on-year increase of 94%. Sales volume also rose to 0.65 lakh metric tons compared to 0.38 lakh metric tons with strong demand and steady increasing adoption of balanced fertilizers.

Complex fertilizer segment continued to outperform during FY '26, with revenues increasing sharply to INR 7,025 crores, reflecting year-on-year growth of 175%. Sales volume increased to 12.31 lakh metric tons during FY '26 as compared to 5.64 lakh metric tons, led by strong growth in DAP, TSP and NPK fertilizers. EBIT margins stood at around 4 % during FY '26.

The CPC Speciality Nutrients and Seed segment witnessed a decline in performance in this quarter, revenues lowered by 21% year-on-year. Our EBIT margins remained healthy.

For FY '26, the segment delivered strong performance revenues increasing by 30% year-on-year to INR 1,203 crores as compared to INR 926 crores in FY '25, and EBIT margins remained healthy at around 23.5%.

Our Joint Venture IMACID is performing well. The increase in P2O5 production capacity from 5 lakh metric tons to 7 lakh metric tons is expected to be implemented in December 26. Further, Sulphuric acid capacity is also being increased, which is expected to be implemented a year ahead in FY '27.

Board of Directors has recommended a final dividend of Rs. INR 6 per share, totaling to Rs. 11 per equity share for FY '26. Overall, FY '26 reflected resilient execution across our core and

value-added businesses, despite a volatile global operating environment, while the urea business continued to provide operational stability and healthy cash flows.

The Complex Fertilizer segment delivered strong growth driven by DAP, TSP and NPK volumes. At the same time, our crop protection chemicals, specialty nutrients and biologicals business continued to scale up well, improving contribution, product expansion and increasing farmer adoption. Progress in technical ammonium nitrate project and continued investment in sustainable agriculture solutions further strengthened the diversification and long-term growth profile of our operating portfolio.

With this, I would like to hand it back to the moderator and open it for question-and-answer session. Thank you.

**Moderator:** Thank you very much. We will now begin with the question-and-answer session. We will take the first question from the line of Aman Kothari from Aequitas Investments. Please go ahead.

**Aman Kothari:** So, firstly, congratulations, sir, on a wonderful set of results. Sir, the first question that I have is, I think the last time we talked, you said the gas costs were above USD 20. Can you give us an idea of what the current gas costs are looking like for the first quarter?

**Abhay Baijal:** They will be around the same number. We are still in the midst of the quarter. Currently, what I understand, it is USD 18 plus, USD 18.5 plus. It may be around the same number.

**Aman Kothari:** And, sir, this quarter we have seen a jump in receivables. So, I think we have reached almost from Rs. 367 crore to Rs. 2,075 crore receivables. And we have also seen an increase in short-term borrowing. So, can you give us an idea on what those are?

**Abhay Baijal:** These are some short-term, as far as short-term borrowings are concerned, these are small cash flow mismatches which happen, but they will be eventually evened out during the course of the year. The company is more or less on a stable nod as far as finances are concerned, as you know.

As far as the increase in receivables are concerned, we have a process called escalation and de-escalation. Sometimes what happens is that the government has compensated us on a base of a higher gas number. So, that continues. When we are actually consuming at a lower cost, then you tend to accumulate cash because you get more subsidies than what you would be actually spending. Reverse starts happening if they have de-recognized that subsidy or taken it back, then you get a different set of equations.

And, secondly, as we go forward, as you know that the prices are going up from the base, there will be some form of escalation, which we have taken up with the government to give us interim relief in terms of cash flow. So, I am very hopeful that the government will look at this very favorably.

**Aman Kothari:** But, sir, if we see the gas prices elevated for the rest of the year, do you think that this could be a problem that could pop up and continue probably in the end of the year?

**Abhay Bajjal:** See, there is a cycle. First of all, what they give is a provisional price for the previous quarter, which is applicable for the next one or two quarters. What we are going to tell them, in fact, what the industry is continuously telling them, is that there has been a dollar increase, there is a gas price increase. So, can you give us interim relief pending final calculations, which I think they are very sympathetic to hearing too. So, that is what we have. We are hopeful that we will be able to manage this issue, not a big problem.

**Aman Kothari:** But, sir, right now, I think we are all aware that government is running a bit thin on its reserve. We today saw the petrol and diesel price increase. We are seeing the other expenditure that they will have to make in terms of phosphate and for urea also. So, do you think that a situation like the last time we had this in '22-'23 could arrive, let us say, in terms of receivables bloating up?

**Abhay Bajjal:** No, I do not think that is going to happen. This government in particular is very clear that fertilizer is a very, very important sector to support and we have seen the kind of support that they are giving in terms of purchasing, even at very high costs. So, there is a clear focus on farmer being a very important element of the economy.

And so, this support, I think, is likely to continue despite the costs. And I would hazard a guess as to how much the amount of increase in subsidy is going to be. But I hear from the concerned quarters that whatever it takes to support the segment will be available.

**Aman Kothari:** So, for the TAN, I think 30th April is the commissioning and I think you gave the update on the same. So, at this current year, do you see the capacity reaching to 75%-80% that we could have done in a year?

**Abhay Bajjal:** Yes, definitely that Mr. Narinder Goyal has promised me that by all means he will reach 75%-80%. That is his commitment to me. So, it is his commitment to me and I am sure that he will meet that commitment.

**Aman Kothari:** And I am sure that you are aware TAN prices are up by 40%. We have had Russia also pulling up from putting a curb on the TAN exports to India.

**Abhay Bajjal:** We keep a tab of what is happening in the market. Mr. Misra keeps me updated on what the running prices are.

**Aman Kothari:** And sir, just last question. So, this year we had a very good growth in terms of complex fertilizers, particularly DAP, NPK and TSP. So, do you think in this year, in terms of volumes, do you see that we will be able to deliver a growth on this? Because there will be limited availability, let us say you said just at the current prices that are elevated.

**Abhay Bajjal:** So, you are very right that this year's availability, especially in the phosphatic segment, is likely to be constrained. We do hope that the better sense will prevail in terms of, it is not a question of production. It is a question of logistics. First of all, let us understand that.

We have many ships, about 28 or 29 ships, which are stuck up in the Hormuz. They are carrying material. They are loaded up there and so on. So, it is more a question of logistics than production. That is firstly one thing to understand.

That means, if we have an opening up of this Hormuz in the next one month or so, even if we take a delayed adjustment, because the shipping takes some time to adjust, in three months' time, things should return to normal. So, that is one thing.

Secondly, as far as Chambal is concerned, we did make some strategic purchases, very big, early in the beginning of the year, and we are covered at least till July-August in terms of our stocks.

**Aman Kothari:** For complex fertilizers?

**Abhay Bajjal:** Yes.

**Aman Kothari:** And, sir, just a last question. I think in the last Con Call, you touched upon a new Capex that we could be looking at, and a substantial Capex. I think there were two, three ideas that you guys had in mind. I think the first one was the Urea, a new plant that we could set up, or a TAN expansion, or a new product line. So, is there any further guidance you would like to give on the same?

**Abhay Bajjal:** The only guidance I would give is that the government, looking to the situation that is there, are very, very serious in terms of pushing out a policy to attract investment. And for our part, we are very ready in the sense that we have land, we have environmental clearance. I am happy to report to you on that issue.

We have the water requirements tied up, and we have already started talking to the technology suppliers. Some of them have visited our plant. So, we are ready. The moment the government pushes the button, within five/six months, we will be on the block to run to this particular situation. That is one.

Secondly, what you talked about, the TAN and so on, there will be subsequent developments, but we are also ready with that in terms of making an analysis, where and how we should put that plant. But that is in the works, and I will not be able to reveal much more on that. But as far as the fourth plant in terms of Urea is concerned, we are at very, very advanced in terms of execution of this.

**Aman Kothari:** I will just join back in line.

**Moderator:** We will take the next question from the line of Prashant Biyani from Elara. Please go ahead.

**Prashant:** Sir, this quarter we have seen a significant growth in EBITDA per ton for Urea. What has led to this sharp jump in the quarter, and how to ascertain this quarterly volatility in EBITDA per ton? Because for the last three quarters, it has been more or less flat, but we have seen a sudden jump in Q4.

**Abhay Bajjal:** No, it is more to do with the product mix. We do know that we do sell a certain amount of Ammonia, so we had better margins there.

**Prashant:** How much was the Ammonia volume for this quarter?

**Abhay Bajjal:** Okay, that you discuss offline with Mr. Anuj Jain.

**Prashant:** But it was primarily because of maybe higher volume and price of Ammonia?

**Abhay Bajjal:** No, it is not. There is a price increase, no doubt. And of course, production of Urea was also there. The sales of Urea also was higher by about 30,000-40,000 tons. So, all of that taken into account.

**Prashant:** But sir, regarding Urea volume, two years back, same quarter we had more or less same number of Urea sold, but our EBITDA per ton was half.

**Abhay Bajjal:** Sometimes what happens is that you are doing maybe two plants at that time in terms of annual turnaround, so debits of that nature also occur. This year we did one plant, not two. So, that has impacted, although we had planned to do something earlier, but we did not do because of gas shortage and so on. So, that debit in terms of the cost of repair and maintenance also didn't go. On a smaller base, it makes a bigger difference in terms of percentages.

**Prashant:** Sir, this entire year we had around 3.4 million tons of Urea sales. Last year it was 3.47. Would we be touching around 3.5 this year? Is that in the realm of reality?

**Abhay Bajjal:** We had to have two shutdowns. This was in the end of the year and then in the beginning of this year we are currently undergoing one shutdown for Gadepan-1, which is a slightly longer shutdown which will tend to be happening till about mid-June.

So, the number that is there that we are going to do is more or less the same, although we will ramp up and try and ramp up once we have completed the turnaround, run it at a little higher rate. We are confident that we will do better than last year, but whether we will touch 35, is a touch and go here and there, but we will definitely exceed what we did this year.

**Prashant:** Sir, how much would be Urea inventory with the company at the end of FY '26?

**Anuj Jain:** It is about 1,18,000 MT around.

**Prashant:** Sir, for Quarter 1 till date, how much of our quarterly requirement of gas for all the three plants combined we are getting from the government or from the GAIL and other OMCs?

**Abhay Bajjal:** No, we have no issues in terms of gas availability as of now, thanks to very active procurement by the government, for which I should thank them. They have really been proactive on this issue.

**Prashant:** I will jump back to the queue.

**Moderator:** We will take the next question from the line of Manas Belekar from SRE Equities. Please go ahead.

**Manas Belekar:** So, as we commissioned a TAN plant, so can you throw some light on the TAN and WNA? This will be the important chapter for CFCL for the future growth. So, can you give some idea about what will be the EBITDA margin range for the TAN when we will operate at the full capacity? And how does the market for the TAN look, sir?

**Abhay Bajjal:** So, I will start with the last question first. The market for TAN is buoyant, I would say. The demand is there and you know that the continued emphasis on mining and infrastructure and all that is a strong growth driver for this particular segment of the market.

So, my view is that, for this year at least, we do not have any issues in terms of the demand. And as somebody just said before this, the questioner before this had made the comment about Russia not supplying, so that the import market is also a little short. So, on this basis, I do not think there is an issue in terms of the demand.

The second part that you questioned in terms of what would be the EBITDA. I think our budgeted numbers are very well there. In fact, they will be exceeded in terms of what the margins could be and that is my feeling at the moment.

**Manas Belekar:** And secondly, are we expecting the high working capital requirement for next quarter due to these high gas prices? Because as you mentioned in the starting comment that the government increased the price for the subsidy under NBS by 10%. Is it par with our cost, we incur, or it is below our cost?

**Abhay Bajjal:** No, if I could understand what you are saying, Mr. Belekar, is that you are talking about the Urea price or you are talking about the NPK?

**Manas Belekar:** Urea.

**Abhay Bajjal:** Urea. So, if you understand this business, it is basically a cost-plus kind of business. So, government recognizes the cost and therefore, in terms of higher prices of gas, except for that impact on working capital, we are able to pass on the cost to the government in the form of subsidy, increased subsidy. So, it would not be a problem for us.

**Manas Belekar:** That's all from my side.

**Moderator:** We have the next question from the line of Sandeep Mukherjee from SKP Securities Limited. Please go ahead.

**Sandeep Mukherjee:** Sir, what was the actual GCal of G-1 and G-2 and G-3, G-1 plus G-2 and G-3, for the quarter, for the full year, sorry?

**Abhay Bajjal:** Could you repeat that, please?

**Sandeep Mukherjee:** Sir, what was the actual energy consumption GCal per metric ton for G-1 and G-2 and G-3 for the year?

**Abhay Bajjal:** Definitely below the government norms by a percentage, a good percentage. So, normally we do not reveal these numbers publicly, but we are well below the established norms. Therefore, a certain amount of energy gain does accrue to us.

**Sandeep Mukherjee:** And, sir, can you tell the sales volume of G-1, G-2, G-3 for the quarter?

**Abhay Bajjal:** I will ask Mr. Anuj Jain to answer this question.

**Anuj Jain:** Sales volume for the quarter, in the quarter, G-1 was 2.67 lakhs ton, G-2 is 1.52 lakh ton and G-3 is 2.53 lakhs ton.

**Moderator:** We will take the next question from the line of Vishal Thakur from Balaji Investments. Please go ahead.

**Vishal Thakur:** I just wanted to ask you about with the current capacity, new capacity coming up, can you give me some guidance about the turnover you are expecting in this financial year?

**Abhay Bajjal:** Which capacity are you talking?

**Vishal Thakur:** The new expansion which is coming up today, the production is going to start today?

**Abhay Bajjal:** That you are talking about TAN?

**Vishal Thakur:** TAN, yes, TAN, yes.

**Abhay Bajjal:** So, TAN, we normally, our production level is about 700 tons per day. And, assuming that we are able to start, we will start with WNA production, Nitric acid, and then it goes to Melt production and then it goes to HDAN, which will come by the end of the month or little bit later than that. So, let's assume that we have got about nine months production to be very conservative. So, we are saying that we have roughly about 1,60,000 - 1,70,000 tons of production would be possible.

**Vishal Thakur:** So, can you give me some revenue guidance roughly? Or it can add to the...

**Abhay Bajjal:** This is a very volatile product in terms of pricing. Somebody just said that the TAN prices are up by 40%. Normally, they used to. So, revenue guidance is dependent on what the number is. A budgeted number normally for this is about Rs. 37,000, Rs. 38,000 a ton. That is the normal number that you might think about.

**Vishal Thakur:** Are you also looking at this year any buyback? Also, you are thinking about coming up with buyback because we do see promoters buying back the shares in last quarter. So, are you looking at buyback and considering buyback?

**Abhay Bajjal:** There is no such proposal on the table as of now.

**Moderator:** We will take the next question from the line of Viraj from SIMPL. Please go ahead.

**Viraj:** First question is on the TAN. Would we be able to reach a 60%-70% or even higher utilization in the first year itself? And any color on the market dynamics, given challenges on imports of TAN into the market? So, is the market right now very tight or how would you describe the market structure right now?

**Abhay Baijal:** Market at the moment is short. I think the people want material. And, in fact, the sooner we get it to the market, the better. That is what the issue is. So, that is one.

The second is that going forward, it depends on what the geopolitical situation pans out at and what will be the stance of Russia in terms of exports. But I can say that there is an underlying growth of about 6% to 7% in the explosive segment. And, therefore, that translates back into Ammonium nitrate increase. It is about 6% to 7%.

And it is a healthy growth, I would say, given that we are already at 1.2 million tons or so of demand. So, if you are saying 6%-7% growth, we are talking about 70,000 tons per year, add on year to year, that kind of number.

So, as of now, I don't think it is more a question of how we produce and how we place it in the market and what is our connect with the customers and so on. There is enough room for everybody to play at the moment.

**Viraj:** So, in the first year, should we accept or close to full utilization and even in the last few years...

**Abhay Baijal:** I would put it this way that we know how to run continuous process chemical plants. It all depends on how we successfully commission it, which I am very hopeful that we would be doing it. We have the best technology. We have brand-new equipment. And we have a competent team to operate it. So, I don't see in terms of production why we should have an issue. That is certainly not a concern.

**Viraj:** And in terms of key feedstock and raw material availability, especially for urea, be it for TAN, do you think you are covered well for the Kharif and rest of the year?

**Abhay Baijal:** I couldn't get you, but I thought you were talking about raw material availability. This is basically ammonia. And ammonia is self-produced in our case because we have got three plants producing ammonia. And we have about 3 to 5% surplus on account of technical reasons. So, we don't see any shortfall coming from that side as far as TAN is concerned. So, we are there in terms of matching quantities for ammonia.

**Viraj:** On urea, sir?

**Abhay Baijal:** On urea, of course, gas is the main component. We first make ammonia. Then we make urea. So, as I have told you that the government are very proactive in getting the gas for the fertilizer plants. So, that I don't think is also a constraint. It is only a question of price.

**Viraj:** But given where the prices are for urea and ammonia, do you think that it would be remunerative for you to produce above RAC? Any color you can give?

**Abhay Bajjal:** No. I would suggest that you also have a look at where the IPP for urea is. It is \$900, sir. Way, way above. So, it is not a problem in terms of production beyond RAC.

**Moderator:** We will take the next follow-up question from the line of Aman Kothari from Aequitas Investments. Please go ahead.

**Aman Kothari:** Sir, I think you had mentioned some cost structure and how we would be going about urea plants. Can you just help me understand if we are potentially setting up a new urea plant, how would the project cost go and how would we look at funding it?

**Abhay Bajjal:** See, we have checked around and what has been happening in the sector lately. The price is INR 9,500 crores to INR 10,000 crores. That is the upper bound as far as brownfield projects are concerned.

**Aman Kothari:** For 1.4 million tons?

**Abhay Bajjal:** For 1.3 million tons, roughly the same. Now that you know the balance sheet of Chambal, I don't think there is much of a challenge in funding that. That is one.

Second of all, in terms of the government policy, now that is the open question, what exactly they are going to offer on the plate. Whatever other information that we have and we have been discussing, it is a doable project.

**Moderator:** We will take the next follow-up question from the line of Prashant from Biyani. Please go ahead.

**Prashant:** Sir, what would be the Capex number for FY '27 and what would be the areas of investment?

**Abhay Bajjal:** FY '27, there would be some balance expense on account of the TAN project, of course, and plus there would be the normal routine Capex of the order of about Rs. 170-180 crores, which is there, which are in terms of either replacement or new, more efficient equipment, such as, for instance, steam turbines or CO2 compressors and so on. So, those are the standard kind of Rs. 160-170 crores that we spend.

**Prashant:** And what is the balancing amount in TAN?

**Anuj Jain:** The total put together should be around Rs. 500 crores balance, I mean, Urea and TAN put together.

**Prashant:** Sir, once we commission WNA, we would be taking some time to start ANS and HDAN. So, is it that we will store WNA till the time we produce HDAN or we will sell WNA in the market?

**Abhay Bajjal:** Obviously, we will sell it in the market. There is a ready and good market for WNA at the moment, but I don't think there is, yes, you are right that there is a sequential commissioning in this process.

Our plants on both sides are more or less ready, but as you know that we have to do dry runs on both sides and then commission and so on. So, it will take a little bit of time, but we are there. As far as the most important component of the plant is WNA product.

**Prashant:** Sir, have we also evaluated making automotive-grade Urea? While it does not come under the subsidy regime, but 75% of India's requirement is imported. So, any thoughts if you have ever evaluated this?

**Abhay Bajjal:** No, it is definitely possible with our plants, at least one stream or two streams we can take out to do that. And we are, in fact, having some very preliminary discussions on this issue and we are telling the government also that you should allow us to do this technical-grade Urea for automotive purpose. But it is very nascent. I would not give a timeline on this. That depends on government policy.

**Prashant:** We would require government approval because gas has to be supplied through them.

**Abhay Bajjal:** Yes, obviously this is a requirement that they would allow us, like they have allowed for, instance, GNFC and GSFC to do that.

**Prashant:** Sir, any clarity on G-3 profitability starting next calendar year?

**Abhay Bajjal:** What I can say is that, what I said last time, that the government are seized of the matter, the file has started. We have had one or two preliminary discussions. Too premature to give you any guidance on this, but it is moving. That much I can say, because we are to be in this regime from December 1st onwards. Government is quite aware. Currently they are a little busy with other things, as you know, in terms of sourcing and so on. I am sure in the fullness of time, maybe a month or so, we will engage more effectively with the government on this issue.

**Prashant:** And just lastly, how much would be the net cash on balance sheet?

**Abhay Bajjal:** I think at the end of the year we were balanced with both, I think it was 0-0 almost, net cash was whatever cash on the books was more or less countered by the amount of short-term borrowing. Somebody asked that question in the very beginning. But this is a fluctuating number. Once our subsidies get released in the first quarter and so on, so this will go down. And I am sure we are already surplus, as Anuj informs me, we are already surplus.

**Prashant:** Thank you so much for your time.

**Moderator:** We will take the next follow-up question from the line of Aman Kothari from Aequitas Investments. Please go ahead.

**Aman Kothari:** Sir, I think you had also mentioned something about setting up a phosphatic fertilizer business, primarily in a manufacturing side. So, has there been a push by the government that you have seen for increasing these capacities also?

**Abhay Baijal:** The government are, I know informally talking, I cannot say anything about this and it would not be proper for me to say this, that they are thinking of something on this area as well. But we have, as I have said, in terms of phosphatic capacity, we are and we remain very keen on this. But there are two or three important issues which need to be sorted out in this sector, apart from, of course, the scale and the value addition.

**Aman Kothari:** DAP pricing?

**Abhay Baijal:** I couldn't get, what did you say?

**Aman Kothari:** Yes, I just meant that DAP pricing is also an issue.

**Abhay Baijal:** No, no. DAP pricing is definitely an issue, but more than that, our issues with respect to GST, for instance, in this sector, which is quite a problematic area which they have to sort out. We have been at it for quite some time with them. That is a tax issue which can be easily sorted, but they have to rework their entire GST around this particular sector. That is one part.

The second part is the upfront investment vis-à-vis the value add, which you rightly said is suppressed because of controlled pricing. So, we will have to see a situation where we are relatively free in terms of pricing power before we can take this forward.

And these two things, I think, are the important issues which we are waiting for in terms of production inland, but our thoughts are not only limited to India, by the way. So that is something that, as we have hinted in the past, this is something that remains an ongoing issue.

We have had one or two engagements with somebody who could provide us with possibilities outside India, and that is an ongoing affair. At the moment, we have had a break-off due to this Gulf War situation and all that, but we are ready to engage at some point of time in the very near future on this issue.

**Aman Kothari:** That would be a JV kind of a structure that we would be looking outside?

**Abhay Baijal:** Yes, sir.

**Aman Kothari:** And sir, last question on the CPC and biologic segment, I know we are gearing up with product launches for this year. What do you think is the strategy or the outlook that we have for this segment? How big do you think that we can get it in the next two, three years? Considering, I think, last quarter you mentioned multiple international companies that you were talking to, Nutrien, Corteva, Syngenta. So, how are you thinking about this segment?

**Abhay Baijal:** So, I would tell you that Nutrien are already more or less done in terms of engagement. We have got long-term agreements more or less in place. So, we will be starting with their products very soon.

**Aman Kothari:** But those would be potash products?

**Abhay Bajjal:** No, no. They are specialized nutrient use efficiency products, very high. As you say, somebody should understand that the agriculture is moving in a different direction. It is no longer bulk. It is more precision. It is more specific to soil conditions. It is also very specific to nutrient use efficiency and application capabilities. So, we have to now move from very generic to kind of specialized agricultural inputs.

So, that is the way it is going. And we have to work with some of the international companies to bring products that really work. And one of them is what we are going to do. It is called, I think, Uttam Fertilis or something, which we are coming in with Nutrien.

It has content to increase the carbon content in the soil. It will improve the nutrient use efficiency.

**Aman Kothari:** And sir, how big do you think this could get for us in terms of our output?

**Abhay Bajjal:** Well, when we were talking to Nutrien, they said that, look, what is the total market in India? We indicated in the region of \$1 billion by the next 5 years. So, you can understand what kind of percentage they would be looking for. Maybe 10% would make a very large number.

**Moderator:** Thank you very much. As there are no further questions from the participants, I now hand the conference back to the management for closing comments.

**Abhay Bajjal:** Thank you, Purvangi. I would like to thank you all for joining the call today and hope we were able to address all your queries. If you have any further questions, you can reach out to our partners at Valorem Advisors. Thank you once again for participating in the call.

**Moderator:** Thank you, members of the management. On behalf of Valorem Advisors, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.

**Abhay Bajjal:** Thank you.