



CHAMBAL FERTILISERS AND CHEMICALS LIMITED

Ref. No.: CFCL/SE/2025-26/63

November 13, 2025

BSE Limited

Phiroze Jeejeebhoy Towers
25th 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 October 28, 2025 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 November 6, 2025, on the financial results of the Company for the quarter and six months ended September 30, 2025. 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

Q2 and H1 FY '26 Earnings Conference Call

November 06, 2025

Rishab Barar: Good day everyone and thank you for joining us on the Chambal Fertilisers and Chemicals Limited Q2 and H1 FY '26 earnings call. We have with us today, Mr. Abhay Baijal, Managing Director, Mr. Narinder Goyal, Business Head - Manufacturing Operations, Mr. Anuj Jain, CFO, Mr. Ashish K. Srivastava, Vice President - Sales and Marketing, Mr. Tridib Kumar Barat, Vice President - Legal and Company Secretary.

Before we get started, I would like to point out that some statements made or discussed in the conference call today may be forward-looking in nature and must be viewed in conjunction with the risks the company faces. Chambal Fertilisers and Chemicals Limited does not undertake to update them. The statement in this regard is available for reference in the presentation.

We will begin the call with opening remarks from Mr. Baijal. I would now like to invite Mr. Baijal to share his views. Over to you, sir.

Abhay Baijal: Good day to everybody and a warm welcome to all of you participating in this call. To quickly recap our numbers for the quarter under review on a stand-alone basis, revenues amounted to Rs. 6,413 crore as against Rs. 4,346 crore of last year. And the Company achieved an EBITDA of Rs. 882 crore against Rs. 834 crore last year. Profit after tax of Rs. 602 crore as against Rs. 500 crore last year, which is a growth of 20%.



For half-year FY '26 on a stand-alone basis, revenues amounted to Rs. 12,110 crore as against Rs. 9,279 crore of last year. The Company achieved an EBITDA of Rs. 1,812 crore as against Rs. 1,776 crore last year. Profit after tax of Rs. 1,240 crore as against Rs. 1,053 crore last year, which is a growth of 18%.

For the quarter production, urea volumes were at 8.81 lakh metric tons compared to 9.09 lakh metric tons last year. Urea sales for the year amounted to 9.34 lakh metric tons against 9.65 lakh metric tons in the previous year. Urea volumes are lower mainly because of an unscheduled short stoppage of Gadepan-III plant. Subsidy receipts continue to be timely. As of September 30, 2025, our subsidy receipt was Rs. 6,347 crore in half-year.

Our P&K fertilisers revenue increased due to higher volumes and prices. This has been driven by prudent and strategic sourcing strategy and enabling subsidy framework.

Traction in volume growth for our Crop Protection and Speciality Nutrient business continues to be strong at 28%. In quarter 2, the Crop Protection and Speciality Nutrient revenues stood at Rs. 374 crore as against Rs. 289 crore in the corresponding quarter, which is a growth of about 29% year-on-year. Contribution was at Rs. 114 crore in quarter 2 FY '26 compared to Rs. 83 crore in quarter 2 FY '25, which is a growth of 37%. During the quarter, we introduced six new products, which included three crop protection products and three new speciality nutrient products, including biological new variant of water-soluble formulation of our flagship Superrhiza. A total of 22 products were launched in HY1 FY '25-'26.

Today, our CPC portfolio comprises of 76 products of distinct chemistries covering fungicides, weedicides, insecticides, and are well accepted by farmers across India and our territory. On the biological side, we have achieved a revenue growth of 80% as compared to last

year. Half-year FY '25- '26 total revenue stood at Rs. 73 crore as against Rs. 40 crore of last year.

CFCL is now focusing increasingly on technologies which bring benefits in terms of improving farm yield, improve soil health, and provide better product outcomes. 'Uttam Pranaam', our bio-nano-phosphorus offering launched in June, is showing progress. During the quarter under review, we introduced hybrid variety of mustard seed. We also launched research variety of wheat seeds in quarter 3 FY26, which now complements our agri-input portfolio.

Our 'seed-to-harvest' program continues to contribute towards improving farmer awareness and showcase product efficacy. During the quarter, Chambal conducted over 1,820 farmer meetings, 421 demos, and has analysed about 38,000 soil samples. We have also significantly expanded use of social media to reach out to a large number of stakeholders.

Our technical ammonium nitrate plant is progressing in line with stated timelines. All requisite statutory approvals are in place. We have spent about Rs. 1,052 crore till September '25, and we are likely to begin operations as planned in January '26. Our joint venture, IMACID, is performing well with better margins. The increase in the phosphoric acid capacity from 5 lakh metric tons to 7 lakhs metric tons is expected to be implemented by December '26, which will optimize its operations and increase profitability further.

With that, we are happy to take your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from Prashant Biyani from Elara Capital (India) Pvt. Ltd. Please go ahead.

Prashant Biyani: Good morning and congrats on a good set of results. Out of Rs. 953 crore of recovery on de-escalation on urea subsidy, which we have

shared in your presentation, is there any element of it in P&L as well or everything is in balance sheet only?

Abhay Baijal: No. Let me tell you, we account for subsidy on the basis of, what is the income accrued to us, basis gas prices and other relevant factors. In case we have received extra or we have received less, income remains the same. This is only a cash flow event.

Prashant Biyani: Right. And based on the current NBS policy, what would be your outlook on your traded volume for H2?

Abhay Baijal: Well, we have placed quite a bit of material already. We have contracted post NBS for Rabi 2025 although you know that the announcement of the policy was pretty late. It was more or less at the fag mid end of the season because for us in Chambal, working in the northern part of the country, mostly our sales are done by mid of December.

That means that our purchase and placement have to happen at least a month earlier than what it should have been. Nevertheless, we had some stocks of both NPK, DAP, and we have contracted some more DAP, almost a lakh of tons. So, I think that we are well covered for our position in that situation.

Prashant Biyani: Right. So, when are we commencing the trial run for the TAN plant?

Abhay Baijal: As I said that somewhere in December or so, we will start trial out the first part i.e. nitric acid and then proceed over to the next part, which is in January. So, more or less, we would meet the timelines.

Prashant Biyani: So, revenue recognition or sales should start from Q4 itself?

Abhay Baijal: Yes. We are hopeful that by mid-February or so, our product should start hitting the market.

Prashant Biyani: And lastly, how much is the current cash on books?

- Anuj Jain:** It's about Rs. 700 crore.
- Prashant Biyani:** Okay, sir. Thank you so much for your time.
- Moderator:** Thank you. Next question is from Rehan Saiyyed from Trinetra Asset Managers. Please go ahead.
- Rehan Saiyyed:** Thank you for your opportunity. I want to understand regarding your P&K fertiliser side. P&K fertiliser has done well in this quarter with strong volumes and margins. So, how sustainable you are seeing in this performance, in the second half? And do you see any potential policy or pricing that could impact our momentum going forward?
- Abhay Baijal:** Okay. So, as I said, our second half majorly is the third quarter only for P&K fertilisers. The sales in the fourth quarter are not to that extent because it is off-season for the agricultural production. Now, as far as the third quarter is concerned, we will carry forth the momentum forward. But as far as the policy is concerned, it is more a continuation of what it was in the past. There are no new initiatives.
- The advantage-disadvantage policy for DAP and TSP is carried forward. And the numbers that are there in terms of the per kg subsidy, they are more or less in line. They could have been better, but definitely the government has to also look at its fiscal position.
- So, to that extent, we will have to see how we can market it better, place in the channel and so on. So, to that extent, I think we have more or less covered for the third quarter. But beyond that, we will have to see how to stock now for the next season. The real activity in quarter four is to plan for the next season for quarter 1 FY'26-27.
- Rehan Saiyyed:** That's the reason that our receivables have increased in this quarter because of higher P&K flows.
- Abhay Baijal:** Yes, receivables have increased, because naturally we have put in more sales. As you see from last year, our sales are higher by about

Rs. 2,100 crore. Most of it is due to the P&K fertilisers. That's why the market receivables are higher and will get realised soon. Further, we have to liquidate it through the channel, liquidate it through the POS, and then only we get eligible for subsidy.

And you'll be aware that under the advantage-disadvantage mechanism, the part subsidy of DAP has been pretty high. It's close to almost, Rs. 50,000-52,000 a ton, which is why there is a little accumulation, as you can see.

Moderator: Thank you. Next question is from Keshav Garg from Counter Cyclical Investments (P) Ltd. Please go ahead.

Keshav Garg: Sir, I'm new to the Company, so please pardon my ignorance. Sir, I'm trying to understand that our purchase of traded goods has increased to almost Rs. 3,000 crore in this quarter versus less than Rs. 700 crore a year before, same quarter. So are we doing some trading business? And, is this pertaining to the complex fertiliser segment? And, sir, so are we manufacturing or are we trading? And, I can see the capital employed in this business has also jumped approximately 10 times in the year-on-year. So, if you could just explain what exactly is happening over there.

Abhay Baijal: Yes, we internationally source these fertilisers. We don't manufacture them. And then we market them through our channels. So because of the increased volume that we wanted to do, we purchased and then we sell. So, this is the stock that we will be carrying, or rather the purchasing that we have done. And then we are selling this. So there is a cycle, the working capital cycle. So, which is why you would see the capital employed also having gone up.

Keshav Garg: Sir, so is this increase in capital employed to Rs. 3,000 crore, sir, is it temporary and it will again come down to roughly Rs. 1,000 crore or, it is here to stay at these levels?

Abhay Baijal: No, it will come down because once we liquidate, it will first transfer from stock to book debt, and book debt to then convert back into cash. So, this is the cash-to-cash cycle. And we will be liquidating most of our stocks by the end of December. And thereafter, there is maybe some outstanding on account of subsidy. That's all. But that will get trued up by the fourth quarter.

Keshav Garg: And in our Urea business, are there plans to expand capacity or we will use this division as a cash cow to increase our rest of the business?

Abhay Baijal: No, we are always looking to expand our offerings in all segments, subject to the fact that the government has a very clear-cut policy or different policy for Urea as compared to what is it in NBS policy for the NPKs.

So here we have to go through a process in which there is either a selection by the government for units who have applied for expansion or there is a general policy wherein everybody has to qualify on certain parameters. As of now, there is talk that we know of in terms of the government thinking in terms of doing a policy, but nothing on paper to suggest that policy is there.

The fundamentals in terms of demand and supply do point to an increasing requirement for production, at least three to four plants in the country. But that is for the government to decide in its wisdom as to when they will bring the policy. For our part, as the opportunity presents itself, we shall be quite honestly evaluating it for doing this project.

Keshav Garg: Sir, regarding our TAN foray, is this plant expected to break even since the beginning or for the initial few quarters, some initial losses are expected until the capacity utilization reaches some decent level?

Abhay Baijal: No, I hope not. We have competent people, running the plant. So production I don't think is an issue. Marketing, you know that this product balances with a lot of imported material that also comes in. So, actually the market is a little short of domestic supply now. We should be able to sell subject to our quality and consistency of performance.

So, I would suggest, I would rather be quite optimistic and think that yes, we should be able to start breaking even quickly enough. I wouldn't hazard a guess how many quarters, but we should be able to break even quickly enough.

Keshav Garg: So for FY '27, can we reach full capacity utilization at least for the second half of FY '27?

Abhay Baijal: I would hope so. I'm not pessimistic on that.

Keshav Garg: So at current realizations of TAN, what kind of revenue can we generate if we operate at full capacity utilization approximately? And, what kind of EBITDA margins can shareholders expect from this TAN?

Abhay Baijal: I will not give a number, but I can give you two pointers that you can calculate yourself. One is that the plant has a capacity of about 240,000 tons per year, which is a run rate of almost 20,000 tons per month. On top of that, if we do production and sales are equal and that we are able to sell what we produce, then if you see the current numbers and the cost of ammonia that we have, it's a healthy four-digit, five-digit margin in this business.

Keshav Garg: So what kind of IRR do you expect from this TAN investment that we have made approximately?

Abhay Baijal: Chambal always invests in businesses with a payback. But it's something like between six to seven years we want a payback.

Keshav Garg: Great, sir. Thank you very much.

Moderator: Thank you. Next question is from Viraj Kacharia from Securities Investment Management Ltd. Please go ahead.

Viraj Kacharia: Thanks for the opportunity. Just continuing on the TAN part. Correct me what you said is we should be able to see a scale-up to a full utilization in the year one itself, given how the current market conditions are playing out. Did I understand that correctly?

Abhay Baijal: Yes.

Viraj Kacharia: And just an extension to this, if you see there are a few other players also looking to add their capacity into the market. And then there are some players like Deepak who are focusing more on value-added solutions to differentiate and capture a larger part of the wallet share. How are we approaching in terms of the go-to market for TAN and what gives us the confidence that we will be able to scale this up much quicker?

Abhay Baijal: Our initial discussion with potential buyers is encouraging, that is number one. Number two - we have three product lines in this. One is nitric acid, WNA. Second is AN melt and third is HDAN, that is the high-density ammonium nitrate. In addition, the Company is always exploring other opportunities, let's say like low-density ammonium nitrate, which is LDAN, and which is a more kind of a premium product. So, we are continuously looking at doing the engineering work for that it's an adjunct of the same main plant. We are in discussions with technology suppliers to look at the other product lines or rather value-added lines in the TAN project. So, that work is ongoing.

Viraj Kacharia: So, will price be a play for us to scale up materially faster, given that we have the advantage of in-house captive ammonia feed?

Abhay Baijal: Since we have an ammonia-backed plant, definitely that is a major strategic advantage that we have. Second part is that the way this product is moving at the moment and the requirement and demand,

the way it is linked to infrastructure and production of power, coal production and so on.

We are quite hopeful that we can look at expanding this activity further in the future. Of course, we have to establish our credentials in the first round that we are now at the moment executing. And should we be able to do that successfully, I'm sure the board will get the confidence to do expansion activities in this, whether in this location or some other.

Viraj Kacharia: Okay, just one extension on this and I'll move to other segment. You talked about LDAN and other value-added products which we are evaluating. So, if we decide to go ahead with the project, then typically the timeline would be similar to what we underwent with TAN, the existing three product spaces or the timeline would be much shorter. Can you give some more perspective?

Abhay Baijal: See, my impression by talking to the technology suppliers is that if we choose to do it at the same location, co-located, then definitely it has a much shorter timeframe than what the initial project took. And in fact, we have provisions made in terms of foundations, etc. for the establishment of the second line in terms of LDAN. So, that was planned during the project itself.

Viraj Kacharia: Okay, got it. Now, in the Urea business, you talked about unscheduled stoppages from G3, but was that the only reason for the drop-in spreads and volumes or is there any other element in, say, the energy norms for G1, G2 or anything on G3?

Abhay Baijal: No, G3 at the moment is running its course. The policy is not yet over its policy period, so there is no question of energy norms. The incident that you have referred to, and we have referred to is basically at the fag-end of the production process, there is a prilling activity that happens. This is more a kind of a material handling issue, it has to be then swept into a conveyor and then taken out.

So, it's a large kind of structure about 24-25 meters in which this scrapper arm moves and got broken. So, we had to stop the plant for some time and to repair it. Now, that is one part of the story. The second part of the story is that you would have noticed unseasonal rains happening during the September quarter and that had some disruptions in distribution and supply. So, sales were a little bit affected, but that we have made up in the month of October itself.

Viraj Kacharia: Okay. Any update on the energy norms for G1, G2, what kind of an impact we see?

Abhay Baijal: Well, I think last time we have told you it is low double digit number per quarter and I think that continues.

Moderator: Thank you. The next question is from Riju Dalui from Antique Stock Broking. Please go ahead.

Riju Dalui: Hi, sir. Thanks for the opportunity. So, my question regarding the agrochemical business. So, during the quarter, there was an unseasonal rainfall and due to which most of the companies have registered a negative kind of a growth. And in that context, we have seen a strong year-on-year growth for the agrochemical. So, how we have been able to generate that kind of a strong double-digit growth in the agrochemical portfolio?

Abhay Baijal: I will leave that question to Mr. Ashish Srivastava our Vice President - Sales & Marketing.

Ashish Srivastava: We have a different strategy of placements and sales. So, can't reveal much on that, but we are aligned to taking stocks of the inventory of competition as well as ours while placing the product. So, might be that gives us a little bit edge. I can't go beyond that.

Riju Dalui: Yes, sir. Correct. So, that I can understand. But as per our understanding and as per the others, I think there was a limited window in terms of paving off agrochemical by the farmers due to very heavy

rainfall. And in that context, we have shown a significant growth. So, just want to understand like it was driven by the geography expansion or like new geography where we have inroads our products. How big the growth was?

Ashish Srivastava: Yes. So, basically during the extended monsoon season, in both paddy as well as cotton crops, farmer had to skip some sprays because they were not able to go to the field. But there were pockets where the rains were slightly earlier or were slightly late. So, it was not pan-india geography where the sprays didn't happen. So, you're able to cash on the opportunities in the locations by shifting stocks. So, that's the reason.

Riju Dalui: And second question in terms of the biological portfolio. So, the biological portfolio, is it 100% biological or there is bio stimulus as well?

Ashish Srivastava: No, it's a 100% biological portfolio. We have still not included bio stimulants in our portfolio. We are in the process of doing that, but that again would be through a biological route. So, when we say biological, it would be biological.

Riju Dalui: Understood, sir. And in terms of the DAP supply for the Rabi season in India. If you could indicate how much DAP imports or how much DAP availability for the Rabi season vis-à-vis last year Rabi season?

Ashish Srivastava: If you look at the imports during the first half i.e Kharif, the DAP imports in the country were 106% higher than the last Kharif. And NPK's imports were higher by 5% over the last period.

Riju Dalui: Understood, sir. Thanks for clarifying all the questions.

Moderator: Thank you. Next question is from Meet Mehta from Prasun Exponentials. Please go ahead.

Meet Mehta: I just wanted to ask how the gross margin has changed for DAP business from quarter-on-quarter or year-on-year?

Abhay Baijal: For the NPK business, the margins depend upon purchases and of course the sales pricing that happens. We have seen a situation where the procurement prices have generally risen on account of sympathy with DAP. You recall the DAP was at around \$650 levels to begin with at the beginning of the year. I'm talking calendar year. And it has gone up to a level of \$850, that means almost a \$200 price swing.

In sympathy, even the NPKs and other grades also went up. So, naturally, the extent of what we can pass on to the farmer is limited. Going forward, for those who import and provide companies as Chambal itself, there will be a compression in margin. But as far as the volumes are concerned, I'm happy to tell you that so far the tonnages that we have done, we would be touching almost 1.1 million tons or so this year, which is quite a growth from last year, which is almost from 5.5 lakh tons to almost 11 lakh tons. So, that means that Chambal is back in the format that it used to be, being enabled by a policy which we have appreciated from the government side. So, that being the case, of course, these kind of pluses and minuses will continue, but as a business, this is back to its volume levels.

Meet Mehta: Okay. Thank you.

Moderator: Thank you. Next question is from Dhruv Muchhal from HDFC Asset Management. Please go ahead.

Dhruv Muchhal: Yes, sir. Thank you so much. So, you mentioned the urea volumes were lower because of some maintenance issues. Can we make these volumes in HY2 because you anyway have some buffer capacity that you can use or that would not be possible?

Abhay Baijal: No, we would largely make it up between the three plants except for the Gadepan 2 plant which will go into turnaround by February. Between Gadepan 1 and 3, we would make up what we lost in the past.

Dhruv Muchhal: Okay. So, particularly on Gadepan 3, what you lost, for example, because of maintenance, that you can offset it by the production in HY2. So, the overall number at least from Gadepan 3 remains broadly the same on an annual basis.

Abhay Baijal: So, broadly, yes, it will be a minor, say, 7000-8,000 tons, negative kind of number.

Dhruv Muchhal: Okay. And secondly, on the DAP subsidy, earlier the government had an additional subsidy until at least the last revision. Does that still remain or just wanted to understand on DAP? I think it was Rs. 3500?

Abhay Baijal: DAP is now a kind of a 4% margin on MRP business, which means that the government is saying that you bring it at any price. But we will recognize that price through a certain other mechanism other than NBS, that is an overlay on the NBS. There is a basic NBS price. On top of that, there is some special package of Rs. 3,500.

And then there is an advantage-disadvantage clause, which means that if you have purchased beyond a number, then the difference between that number and your bill of lading price is then reimbursed separately. So, it means that you are now operating in a fixed MRP floating subsidy regime, akin to what is happening in Urea.

Dhruv Muchhal: So, it is effectively a fixed spread on your cost that you get, irrespective. For example, somebody else who is importing the DAP at a different price. Everyone is reimbursed at its own cost, not at different costs?

Abhay Baijal: But Dhruv, the government does not leave it that simple. You know the fact of the matter is, if you don't show efficiency in purchase, you will get a rap on the knuckles. So, Chambal is sensitive to the fact that we should not allow this kind of a put option to be exploited by the suppliers elsewhere. And Chambal has been very careful in purchasing, how and where and what time it has purchased. In fact, in

the last two deals that we did, we were at the lowest number for the period of a fortnightly period. Of course, this is a fluctuating market, but we have brought at the lowest levels that could be possible. It shows that we negotiated.

Dhruv Muchhal: Right. And, sir, last question. You were mentioning about there could be a shortage in domestic urea availability in a few years. And there is probably some discussion of a policy. So, for domestic, you know, self-sufficiency that way. So, I am just trying to understand, what is the extent of deficit that you see over the next few years? And what stage are we in this policymaking decision?

Abhay Baijal: So, I will just tell you like this. See, this year, we are expected to do 400 lakh metric tons consumption and the production in the domestic side is close to 308 to 310 lakh metric tons. So, that leaves a shortfall of about 90 lakh metric tons. The growth pattern that we are seeing because of intensive cropping, application in maize, hybrid maize and so on, for ethanol purposes and so on. We are seeing a regular 3% kind of growth, 2.5% to 3% kind of growth. And that means that we should compound. If you compound it for three years, we are talking somewhere close to 425 lakh metric tons or 430 lakh metric tons by 2029 or 2030. That would leave almost 1 crore 20 lakh metric tons shortfall, if there are no new plants. Plus, one of the things about the urea dynamics is that most of it, almost 55% goes in Rabi.

And Rabi is a short season, season of almost 93-94 days. So, the drawdown of stocks is very high in Rabi and at a very fast speed. So, it will touch close to 2.5 lakh metric tons per day. Now, nowhere are we there in terms of continuous supply in terms of production. Therefore, the more you keep the gap open, the supply disruptions in Rabi become more difficult to manage. I am sure that the government is quite cognizant of this.

Apart from the fact to locate almost 13 million tons of material, then buying it, then bring it to place and then the impact on international prices and the subsidy outgo. These factors do weigh heavily in the minds of our policy planners. And there is, therefore, a very serious case for allowing further production in India through the policy, which I'm sure they must be cogitating and thinking about.

And as far as I know that there have been some discussions. But when and how they will come to this situation, I do not know. But should they do so, Chambal is willing to look at the policy and think about doing another plant.

Dhruv Muchhal: And will there be a scope to expand in the existing facility? So, probably Gadepan-4 or it will be a new, it will have to be, if, for example, if it happens, it will have to be a new plant?

Abhay Baijal: No, we have capacity in the current location.

Dhruv Muchhal: Just trying to also understand the degree of capacity that you can expand. I mean, quantum of capacity that you can expand in the existing facility.

Abhay Baijal: No, I think the plant sizes are standard. It will be like the Gadepan-3 plant.

Dhruv Muchhal: Okay. Got it. Sure, sir. Great. Thank you so much and all the best.

Moderator: Thank you. Next question is from Suyash from MBAPL. Please go ahead.

Suyash: Congratulations on the good set of results. As you can see, we have grown on manufacturing quarter on quarter w.r.t. results. But still, comparing to the last 6 months, this kind of result is still a deficit. So, is this due to some internal working going on? Or what is the reason for not matching the capacity?

Abhay Baijal: Are you talking about urea production or something else?

Suyash: The manufacturing operations.

Abhay Baijal: Yes. In the manufacturing operations, in the 6 months, as you would have noticed, if you went to the past quarters con call, we had about 55,000 tons or so shortfall in Gadepan-2 plant because of some limitations in the syngas compressor. And thereafter, we have had this in this quarter issue in terms of Gadepan-3 plant for about a week, which lost us some 17,000-18,000 tons. So, almost 60,000-70,000 tons is the shortfall.

So, we are clear. We are not happy about it, obviously. But sometimes these things do happen in the plants. So, as far as the next part of the year is concerned, I am assured by Mr. Goyal, who is our Head of Manufacturing, that these kinds of instances are not likely to happen.

Suyash: Hoping the best for that. Secondly, moving on the complex fertiliser part, as the industry is seeing a shift towards P&K fertilisers, specifically the NPK fertilisers. So, the increase from the last financial year, there is almost 4 times increase in the half yearly fertiliser sale. Is it only to capture the momentum of the market, or is Chambal seeing forward to have a shift in NPK fertiliser also?

Abhay Baijal: No, NPK fertilisers is a very important component of the agri-input and nutrient market. And since we want to be there with all product offerings, all the grades, all the types, if you see our strategy, we are there in nutrition, which are fertilisers. So, in fertilisers, we have to be on all grades, which is not only urea and nitrogenous, but also the NPKs.

We are there in potash, i.e. straight fertiliser as well. Then you see that in terms of the speciality nutrient, which is sulphur, zinc, manganese, and other micronutrients which are there, plus water-soluble fertilisers, we are there as well. We went into the biological segments. We have

gone into the crop protection segment. We are going into the seed segment. So, we are complementing our entire offering in the agri-input space. So, to that extent, being in NPK fertilisers is definitely a very important thing for us to do, and we are totally committed to it.

Suyash: No, my question was, is it temporary, or are we looking forward to seeing more of this kind?

Ashish Srivastava: Chambal was primarily in a DAP marketing area, and then over a period of time, we have expanded to geographies which consume a lot of NPKs, like Maharashtra and West Bengal.

So, the additional volumes of NPKs would definitely come from these geographies, and also the northern geography, as some farmers have started using some NPKs in place of DAP. So, it's not a temporary thing. I think it's going to continue this way.

Moderator: Thank you. Next question is from Ankur Jain, who is an Individual Investor. Please go ahead.

Ankur Jain: We received a GST notice in September. Can you please give us more detail on it?

Anuj Jain: This GST notice is basically, on the subsidy component, an officer in Bihar has levied the GST. Subsidy is exempted from the GST as per the law.

So, we are initiating the action through rectification application, and of course, we are expecting positive results. It has come recently, so we are filing the rectification application against that.

Abhay Baijal: I'll just add to Mr. Jain. The law is very clear that GST is applicable on the maximum retail price printed on the bag. And it has nothing to do with the subsidy.

And, in fact, one of the reasons why the entire industry is up in arms with this arrangement is that it results in accumulation of GST credit in the books of mostly the importers and sellers. And this is a continuous problem, and the entire finance ministry seized of the matter at the moment. So, this part that the officer has applied is absolutely frivolous, I would say, in terms of how the notice has been given. It will not stand in the appeal/ court.

Ankur Jain: Understood. And then, so, did we notice, like, did we inform the ministry that it's an industry-wide problem, how they treat the GST on the subsidy or not?

Abhay Baijal: Individual cases the ministry does not respond to. It is left to us to agitate it in the court of law. But as far as the accumulation of GST in the books of many companies, that is a continuing issue which both the Department of Fertilizer and the Department of Revenue are well seized of, and maybe a solution shall come.

Abhay Baijal: So, there is no bearing on the results either now or in the future.

Ankur Jain: Okay. My second question is regarding new capex. I know previous participants, they asked about if we want to expand into urea, which definitely depends on the policy. But because since we are generating significant amount of cash, do we have a plan for next 1 or 2 years to deploy it?

Abhay Baijal: Yes, definitely. Apart from the remnant of what we will expand in TAN, which is the balance amount that we have to spend. Then the second part is we are continuously going into capital expenditure for energy efficiency projects or replacement of items and so on. That is a kind of a routine matter.

Urea, we have said, is dependent on policy. But there are other options that we are looking for, and I think we have been discussing this for the last three or four quarters. We are reaching somewhere some

conclusion. I think we are developing a certain kind of a plan. And should the Board approve it, therefore then maybe in FY26, '27 kind of time frame, we could have something on that.

Ankur Jain: Okay. Understood. Because we are generating significant amount of cash. So, we need to have like a, I'm sure you guys are thinking it, but we need to think about long-term, like three years to five years, seven years plan. Because if we have Rs. 2,000-3000 crore each year, then we should be just ready to deploy it, right?

Abhay Baijal: Yes, Mr. Jain. We are very conscious of this and we are developing project lines which are aligned with our business and which will give a certain kind of return. See, we have got two guardrails in this. One, that we have to be in the allied lines of business. And secondly, we have to have a certain return. So we have to meet these two stringent conditions to get it passed from the Board and that takes some time in developing.

Moderator: Thankyou. Next question is from Sandeep Mukherjee from SKP Securities. Please go ahead.

Sandeep Mukherjee: Yes, what is the split of production volume between G1, G2 and G3 for the quarter?

Anuj Jain: For Gadepan-3 Plant, quarter two production is about 3.3 lakh tons.

Sandeep Mukherjee: And for G1 and G2 Plants?

Anuj Jain: For G1 and G2 Plant, quarter two production is 5.5 lakh tons.

Sandeep Mukherjee: Okay, and the gas cost for the quarter?

Anuj Jain: Gas cost for the quarter was on NCV basis about \$15 per MMBtu.

Sandeep Mukherjee: Okay. And my next question is, like, I was reading a recent article, government has brought the ammonium sulphate under subsidy and it is pitching as an alternative. What is your take on this?

Ashish Srivastava: Sandeep, almost 600,000 tons of ammonium sulphate is sold in India, and almost 30%, 35% market share is in Gujarat alone majorly on groundnut and tobacco crop. We have an establishment there. So, we are looking at that product as a portfolio in coming Kharif.

Moderator: Thankyou. Next question is from Viraj Kacharia from Securities Investment Management Ltd.

Viraj Kacharia: Just couple of questions on Crop Protection and Speciality Nutrients. Can you give some perspective, what is the share of revenue from new products, say, products introduced in last two-three years? And if I have to understand, say, the top five or top 10 products, what will be their revenue contribution?

Ashish Srivastava: Viraj, if you look at the new products launched in the last three - four years, so they are contributing to volumes roughly around 30%.

Viraj Kacharia: Okay. And the top five, top 10 products?

Ashish Srivastava: The top five products would be giving us a revenue of around 25%.

Viraj Kacharia: So the composition of top five or top 10, is it largely remain similar, say three years back or four years or there is a lot of churn?

Ashish Srivastava: No. There has been changes happening now in last three, four years because of new chemistry. Like a new wheat weedicide is giving us good volumes or some good fungicides are also, giving us good volume. So there is a shift. It is not standard now.

Viraj Kacharia: Okay. And if I have to just understand it as a market coverage, say for core regions where we typically have been selling urea and other fertilisers and new territories, how would that coverage be for the Crop Protection and Speciality Nutrients?

Ashish Srivastava: Crop Protection and Specialty Nutrients, we are there in almost 80% of the geography now. In terms of the Chambal volumes, majorly it is

coming from the northern territories. But we have made significant inroads in Maharashtra this year.

Viraj Kacharia: Okay. So if I have to look at Crop Protection or Speciality Nutrients, of the total business, would it be right to say 80% is coming from core territories and 20% from new regions or 80% is the coverage?

Ashish Srivastava: 85% from core territories and 15% from new regions would be better.

Viraj Kacharia: Okay. Got it. And scale of seed business in HY1?

Ashish Srivastava: Seed business in HY1? You want revenue?

Viraj Kacharia: Yes.

Ashish Srivastava: It is just 1% of the total traded products volumes. In terms of value, it is around Rs. 8 crore. We have just introduced seeds.

Viraj Kacharia: Okay. See, in Crop Protection, the margins we have owned is one of the highest ever. It is close to 30% average margins. And this is even remarkable considering it is a traded business at the end of the day. What has driven this high margin and how should one really look at sustainability of margins? Because in the past, we have always talked about 18% to 20% operating margins as a sustainable margin in Crop Protection. So, the drivers of this margin and how should we understand sustainability?

Abhay Baijal: Yes, Viraj, I think we have been talking about this for the last three or four quarters. And the reason for this is two or threefold. One is a placement strategy. And also now that we have started introducing new products. I mentioned 22 new introductions. That freshness that we bring to the portfolio and the churn that we bring, that is one.

Second is, that keeps the engagement with the farmer that we are increasing through our various outreach programs. The trust that they have in the brand Uttam, what we have done, worked for the last so

many years as far as our urea and other businesses. This overall kind of marketing mix, if I could put it this way, that has made a lot of difference.

And now the trade with whom we work very closely is quite enthused. It is no longer an experiment for them when they used to work with us about five or six years back. Now this is something that they look forward to. They look forward to what the new products we are bringing in, what are the new solutions we are getting in.

And secondly, the price points and where we are putting it. So, it is not the most expensive and it is not the cheapest. It is somewhere very well positioned in terms of what the farmer will prefer and give some premium to, in terms of what the brand is and what the connection with the Company overall is. So those factors are quite unique to Chambal in this particular business.

And also, please note that when we say that we are giving a complete solution, a farming solution in terms of nutrients and in terms of these water solubles, all the other elements are also there, so they feel very comfortable when we deal with the Uttam brand. So, this is one of the things that I can make out. Marketing is a complex exercise. You don't know what clicks when. But I think more or less we have got the chemistry in this right. That's all I can say.

Moderator: Thankyou. Next question is from Amit Agicha from HG Hawa & Co.

Amit Agicha: Thank you for the opportunity and congratulations for the good set of numbers. My question is connected to the number of employees that currently the Company have and what is the expected hiring over the next one or two years?

Abhay Baijal: Number of employees is about 1,100 plus, give or take. And going forward, it will depend on what kind of activities we do. If we go for other locations, new expansions and so on, then definitely the number

will increase. And as the Company is growing, definitely the number of employees is expanding on the basis of the actions or the business lines that we are developing.

Amit Agicha: And, would it be possible for you to give the number, like how much of the sales come directly through the Digital Farmer Connect or the size of the network as well?

Ashish Srivastava: We are not selling anything on the digital platform. Everything is through the channel.

Abhay Baijal: What we have is an app and a system by which they connect with us. They get educated about our products, the new forthcoming products, the usage methodology for the old products or whatever products we have online. And secondly, a kind of a referral mechanism or a mechanism by which they can ask questions and get answers on to some specific problems. This app was launched, I would say, about two months back and we have something like 80,000 to 90,000 followers and subscribers. So, we do disseminate through LinkedIn, Meta and YouTube and so on. So, it's growing and I think we have a very stiff target in terms of having 3 to 5 lakh subscribers on this, which we should achieve by next year.

Amit Agicha: Sir, is it possible to give the size of the dealer network?

Ashish Srivastava: We are close to 5,000 dealers and if you talk about the retail outlets, in private sector, close to around 40,000 retail outlets sell our fertilizers in private trade and equivalent amount of sell through cooperatives. This is for fertilisers.

Abhay Baijal: All products.

Ashish Srivastava: All products.

Moderator: Thank you very much. That was the last question. I would now like to hand the conference over to the management team for closing comments.

Abhay Baijal: Thank you. I think it was a very engaging conversation and penetrating questions. I hope we have been able to answer to the satisfaction of our investment community and we look forward to more such events and to the next quarter's results. Thank you very much.

Moderator: Thank you very much. On behalf of Chambal Fertilisers and Chemicals that concludes this conference. Thank you for joining us.

Please note: *We have edited the language, and made minor corrections, without changing the content, wherever appropriate, to bring better clarity*