

Chambal Fertilisers and Chemicals Limited

Record of Institutional Investor Meetings

1	Dates of Meetings	February 5, 2019
2	Venue of Meetings	Mumbai
3	One-on-one meetings with HDFC Mutual Fund, Reliance Nippon Life Asset Management Limited, ICICI Prudential Mutual Fund, SBI Mutual Fund and Old Bridge Capital Management Pvt. Ltd.	
4	Company Representatives	Mr. Anil Kapoor, Managing Director and Mr. Abhay Bajjal, Chief Financial Officer
5	Gist of Discussions The presentation as submitted to the stock exchanges on February 1, 2019 and uploaded on the website of the Company was shared in the meetings. The other related main points of discussion were as under: 1. New Urea Project of the Company (Gadepan-III Plant) i) The Gadepan –III Plant has been completed within the total cost approved by the Board of Directors of the Company. The Company has already started the commercial production from Gadepan-III Plant with effect from January 1, 2019 and produced 1.12 lakh MT of Urea from Gadepan – III Plant during January 2019. ii) It was clarified that presently there was no Government policy for treatment of the production beyond 100% capacity from the perspective of subsidy payment. iii) Post implementation of Gadepan-III Plant, in the short term, the Company will focus on reduction of debt. iv) There is inherent growth in demand of Urea and the production from Gadepan-III Plant will substitute the imports. The Company is not facing any difficulty in selling the additional urea produced from Gadepan-III Plant. 2. Operations i) Apart from manufacture of Urea, the Company markets other agri-inputs like Di-Ammonium Phosphate (DAP), Muriel of Potash (MOP), Agro Chemicals, etc. The other agri-inputs portfolio of the Company is now well established. The Company has developed reliable supply channels to sustain its business volumes by meeting its off-take commitments even in difficult market conditions. The Company imports DAP and MOP from reliable suppliers with proven quality standards of the products. As per the details given in the presentation, there was decline in sales volumes of DAP and MOP. It was explained that the reduction in volumes was made up by margin growth. ii) It was informed that the Company has kept its focus on excellence and efficiency with cost control in operations and it will continue its efforts towards these vital aspects. iii) The contours of Direct Benefit Transfer (DBT) policy of the Government of India has been explained. Under the DBT scheme, the farmers continue to purchase the fertilisers at subsidized rates and the transactions are recorded through Point of Sale machines (POS machines) at the sales points. The subsidy bills are raised by the fertiliser companies on weekly basis in respect of the fertilisers sold through POS machines. The main issue is continuous under-budgeting by the Government of India resulting in delays in disbursement of subsidy and higher working capital cost of the Company. iv) The Company continuously monitors and hedges the major part of its foreign currency exposure in respect of imported fertilisers. v) The outstanding subsidy of the Company from Government of India, as on December 31, 2018, was Rs. 2935.32 crore. The Government of India has allocated Rs. 74996 Crore towards fertiliser subsidy in the union budget 2019.	

Abhay Bajjal

