

CHAMBAL FERTILISERS AND CHEMICALS LIMITED

Record of meeting with Analysts and Institutional Investor(s)

1.	Date of Meeting	September 04, 2024
2.	Place of Meeting	Mumbai
3.	Event/ Conference	'Ashwamedh Conference - Elara India Dialogue 2024' and Group meeting with representatives of Arihant Capital Markets Limited, Phillip Capital (India) Private Limited, IIFL Securities Limited, Kotak Securities Limited, Nuvama Wealth Management, Batlivala & Karani Securities India Private Limited, Nirmal Bang Securities Private Limited, Antique Stock Broking Limited, Motilal Oswal Securities Limited, DAM Capital Advisors Limited, Dolat Capital Market Private Limited and Anand Rathi Share and Stock Brokers Limited.
4.	Company Representatives	Mr. Anand Agarwal, Chief Financial Officer Mr. Brijesh Pandey, Deputy General Manager - Finance
5.	Did discussions involve Unpublished Price Sensitive Information	No
6.	Gist of Discussions	
	Gist of the discussions during the above meeting is, as under:	
	The Company's representatives outlined the operational and financial performance of the Company's business verticals. They also discussed the current agro-climatic conditions and impact thereof on the Company's business.	
	Thereafter, the Analysts raised questions which were replied by the Company's representatives, summary whereof is as under:	
(i)	Whether the Company has any plan for manufacture of complex fertilisers, including expansion plan in Morocco, to which it was replied that the Company evaluates opportunities from time to time, and as and when something would materialize the same would be disclosed as required by law.	
(ii)	In relation to the Technical Ammonium Nitrate (TAN) project, it was explained that the project is progressing as per schedule and the total investment committed for this project is Rs. 1645 crore. The Company is evaluating various options for further growth in this line of business.	
(iii)	Regarding the Company's strategic priorities of capital allocation in next 3-5 years, it was explained that the Company has a strong balance sheet and, as on date, it has no long-term debt. It was further mentioned that the Company has an appetite to make further investments, provided there is a right opportunity. The Company's focus area is to grow the Crop Protection Chemicals and Speciality Nutrients (CPC-SN) business & manufacture of complex fertiliser(s), addition to the value chain of TAN business and to enter in hybrid and research variety seeds.	
(iv)	In regard to the queries around Company's strategy, post expiry of the New Investment Policy -2012 from FY-28, it was explained that the EBITDA is likely to be lower in FY-28 compared to FY-27, and the Company will attempt to bridge the gap by creating efficiencies in Urea business, higher volume of trading in P&K fertilisers and growth of CPC-SN, TAN & seed businesses.	



(v)	<p>The Company is growing the CPC-SN business, and it will continue to follow the existing asset light model which offers flexibility in procurement of products.</p> <p>At present, the Company has no plan to enter into formulation business. However, if the same is viable in the future, it will be suitably evaluated.</p> <p>The Company is tying up with reputed institutions to procure new and better molecules. Further, 8 new CPC-SN products have been launched in Q1 of FY-25 and introduction of few more products are in the pipeline during forthcoming quarters.</p>
(vi)	<p>About the query on future of biological products, it was explained that the Company is making efforts to develop the market for biological products, however quantification of scale of business is difficult at this point in time.</p>
(vii)	<p>On a query, that in view of the change in the law regarding taxability of buyback of shares, whether there is any plan to increase the dividend payout, it was replied that the Company has given good return to the shareholders in the form of dividend, and any increase in the rate of dividend will depend upon the approval of the shareholders.</p>
(viii)	<p>With regard to the query on when the government will consider revision of fixed cost, it was replied that the Department of Fertilizers is working on the same.</p>

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(ANAND AHARWAL)

