

Chambal Fertilisers and Chemicals Limited

Record of Institutional Investor Meeting

1	Dates of Meeting	February 23, 2021
2	Venue of Meeting	Virtual
3	Event / Conference	Build India, New India - Antique's Annual Investor Conference
4	Company Representatives	Mr. Abhay Bajjal, Chief Financial Officer; and Mr. Rajveer Singh, Vice President-Legal & Secretary
5	Gist of Discussions	<p>The main points of discussion were as under:</p> <ol style="list-style-type: none">1. The Government of India made additional subsidy allocation of Rs. 62640 Crore for fertilizer industry. Out of the above, around 1/3rd of additional allocation has been disbursed till January 2021 and the balance subsidy payment is likely to be released by March 2021.2. The outstanding subsidy of the Company as on December 31, 2020 was Rs. 5825 Crore. The Company has received around Rs. 3165 Crore of subsidy in January 2021 out of the subsidy outstanding as on December 31, 2020. The Company expects that there will be very negligible subsidy outstanding of the Company and entire industry as on 31st March, 2021.3. The Company expects to repay the entire short term loans by March 2021. The outstanding debt of the Company as on March 2021 is likely to be around Rs. 3800 – 3900 crore which will be towards long term loans availed by the Company for financing the Gadepan-III plant of the Company. Hence, the interest cost of the Company would substantially reduce, which would largely be on long term loans and small amount of short term loans.4. The Government had allowed the Company to produce beyond 100% capacity in Gadepan-I and Gadepan-II plants and the production in these plants is at optimum level. In Gadepan-III plant, the production is limited to around 12.67 lakh MT per annum and the Government has so far not allowed the Company to produce beyond this level.5. The prices of DAP are increasing and the market has the appetite to absorb the hike in DAP prices to some extent. However, if the prices of DAP increase substantially, it may result into demand destruction.6. There is growth in demand of Urea and Non Urea fertilisers in the existing marketing territory of the Company. The Company is expanding its presence in new geographies and focusing on gaining higher market share in NPK fertilisers. The Company is also looking at options for backward integration.



Abhay Bajjal