



Chambal Fertilisers and Chemicals Limited

Q3 & 9M FY2025 Earnings Conference Call Transcript

February 06, 2025

Rishab Barar: Good day everyone. And thank you for joining us on the Chambal Fertilisers and Chemicals' Q3 and 9 Month FY' 25 Earnings Call.

We have with us today, Mr. Abhay Baijal – Managing Director; Mr. Anand Agarwal – CFO; Mr. Anuj Jain – Assistant Vice President (Finance); Mr. Tridib 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 does not undertake to update them. The statement in this regard is available for reference in the Presentation.

We will begin this 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. At the outset, let me wish everyone a healthy and prosperous 2025.

During the quarter, on a standalone basis, the Company has achieved an EBITDA of Rs. 843 crore, as against Rs. 724 crore last year. This is a growth of about 16%. A profit after tax of Rs. 505 crore, as against Rs. 404 crore last year, which is also a growth of 25%.

For the nine months, the Company achieved an EBITDA of Rs. 2,619 crore as against Rs. 2,199 crore last year, which is a growth of about 19%. And a PAT of Rs. 1,557 crore, as against Rs. 1,245 crore, showing a growth of 25% year-on-year.

At the consolidated levels, also the Company has performed well during the quarter, registering a PAT of Rs. 534 crore, as against Rs. 459 crore last year, which is a growth of 16%.

For the nine months, there was a PAT of Rs. 1,519 crore, as against Rs. 1,179 crore last year, which is showing a growth 29%.

Our all urea units operated at optimal capacity. Urea production during the quarter stood at 9.18 lakh metric tons, as against 9.19 lakh metric tons last year. Urea sales stood at 9.88 lakh metric tons, against 8.92 lakh metric tons last year. Subsidy receipts too continued to be timely. We received Rs. 3,350 crore approximately in subsidies during the Q3FY '25.



Of course, these numbers are there for you to see in the segment results. But I would like to highlight the performance of our Crop Protection Chemicals (CPC) and Specialty Nutrients (SN). It continues to be quite encouraging. During the quarter, CPC & SN revenues stood at Rs. 255 crore as against Rs. 203 crore last year, which is a growth of almost 26% Y-o-Y, with a contribution of Rs. 68 crore as against Rs. 49 crore, which is a 39% increase.

For the nine months, the revenue was Rs. 887 crore and Rs. 745 crore, showing a growth of 19%, and a contribution of Rs. 232 crore as against Rs. 168 crore last year, showing a growth of 38% Y-o-Y.

In the quarter under review, we introduced two new weedicides. Today, we have a CPC product portfolio that spans 13 states, 64 offerings, covering fungicides, weedicides and insecticides.

We are also working on a range of new products which shall be introduced in Kharif and Rabi 2025. Some of the products are Generation 1X, i.e. products which are of the latest chemistry, in collaboration with our partners.

Our strategy continues to focus on creating partnerships and alliances for introducing better chemistry and increasing the width of our offerings in our channel.

I would like to highlight that we have made a strong beginning in biologicals and they are increasingly gaining importance in the crop protection space. A biological fungicide and nematicide will be shortly introduced to address farmer's pain points for nematodes and disease control, for which internal field tests have been successful. The other product lines in biologicals will gain importance as green and sustainable technologies become exceedingly important.

One of the highlights of the quarter was that Chambal Fertilisers and TERI, which is the "The Energy and Resources Institute", entered into an agreement for research to establish the CFCL-TERI Centre for Excellence for Advanced and Sustainable Agriculture Solutions. This is significant in the background of food security challenges between increasing populations.

Success of our "UTTAM SUPERRHIZA" offering and encouraging response to "UTTAM PRANAAM" (Biogenic Nano Phosphorus) gives us confidence in our ability to promote sustainability through bio-based agricultural solutions in India. TERI, as you know, is a pioneer institution in this area. Center of Excellence aligns closely with the Government of India's BioE3 initiative, which aims to promote biomanufacturing industries.

Under the arrangement, TERI will be doing research in the Center of Excellence to develop new products where the IP rights will be jointly owned between CFCL & TERI and Chambal will have exclusive commercial rights globally on the products which are developed over a period of next five years. The laboratories and equipment are more or less in position and the work will start from March onwards.

We will also be focusing on entry into hybrid and research variety seeds which will substantially complete our agro inputs profile. We expect to start sales and marketing of hybrid wheat, mustard, millet, etc. in the next financial year, starting from Kharif '25 onwards.

In the non-urea space, our product portfolio approach continues. And I am glad to inform you that in IMACID, our joint venture, the Phos Acid expansion project from 5 lakh metric tons (approximately) to 7 lakh metric tons has been approved by the

Board. As we speak, work is going on to implement that particular project, not only on the phosphoric acid expansion, but also to attend to the deficit in the sulphuric acid plant. The total investment in those areas will be about \$173 million, which will be completed by '27-'28.

As far as volumes for our farmer connect 'Seed-to-Harvest' program is now going, we are also placing great amount of emphasis on communication and reaching out to our stakeholders and partners.

Besides, our Hello Uttam experts at all four locations received more than 9,000 calls and queries. This happens to be a very important program for us to assist our farmers and to get specialized knowledge across to them as to how to use products. And also as part of our 'Seed-to-Harvest' program, which is a key focus area for Chambal, we undertook more than 2,500 farmer meetings, conducted 3,500 demos, and analyzed 98,000 soil samples for macro and micro-nutrients analysis.

The Technical Ammonium Nitrate project is progressing quite well. Statutory approvals are in place. Equipment deliveries have started. You must have seen photographs showing the extent of the civil and other construction works having been completed. And we are very confident that we will be able to start the plant in January 26. Cumulative expenditure as of December 31st has been Rs. 466 crore. In January 25, we have spent a further sum of Rs. 75 crore, making it a total of Rs. 541 crore.

I have spoken about IMACID. That continues to do well in terms of its current performance. And as we go forward and complete the project for expansion, IMACID will be one of the largest Phos Acid producers in the world with 7 lakh metric ton capacity and with the lowest capital cost per ton of capacity. We look forward to continuing to create value.

With that, we are now happy to take your questions. Thank you.

- Moderator:** Thank you. We will now begin the question-and-answer session. The first question comes from the line of Prashant Biyani from Elara Securities. Please go ahead.
- Prashant Biyani:** Yes, thank you for the opportunity. And congrats on a good set of results. Regarding our trading business, how much of the additional Rs. 3,500 per ton of DAP subsidy have we booked in Q3?
- Abhay Baijal:** Not completely. I am told roughly 80-85%.
- Prashant Biyani:** Seeing your EBITDA per ton for traded fertilizer, it does not look like we are making money on DAP. Would that assessment be right?
- Abhay Baijal:** DAP is a zero-sum game at the moment. And we haven't done too much of DAP. I think the total sales in the quarter was about 1 lakh tons, plus or minus.
- Prashant Biyani:** That is only to have the portfolio approach rather than anything else.
- Abhay Baijal:** See, we are importers and sellers. We don't have the cost structure on the floor. We have to see what we can do in terms of the total portfolio approach. And we have done what we felt was necessary to keep the channel lubricated.
- Prashant Biyani:** Okay. I missed your opening remarks on IMACID capacity expansion. There was some patchy voice. Can you please repeat it?

- Abhay Baijal:** The Board there has approved the expansion of Phosphoric acid from 5 lakh metric ton to 7 lakh metric ton. And there are two parts to it. The Phosphoric acid plant and the Sulphuric acid plant, which is a concomitant facility, which is needed to support production. So, in the first phase, the Phosphoric acid plant will go into production, maybe by end '26 or maybe early '27. And the other part, which is a Sulphuric acid plant, the study for narrowing down the cost is still on. But we are quite hopeful that this will also be done. And taken together, the total cost of the expansion is about \$173 million.
- Prashant Biyani:** Okay. And what led us to configure some changes in the TAN plant and these changes are the things which are causing the delay or something else?
- Abhay Baijal:** No, these changes are necessary to get operating efficiency when you do have warm ammonia. Otherwise, I will just give you a small understanding of this. First, if you have to store back the ammonia, you have to basically chill it. To ensure that you are able to directly pump the ammonia into the system, whatever is being produced online, then you save energy in that. That's a very simple process that has to be done.
- The second part is looking to the fact that LDAN, that is Low Density Ammonium Nitrate is going to play an important role in the future. The engineering took about 1 - 1.5 months.
- Moderator:** Thank you. Next question comes from the line of Jainam Ghelani from Svan Investments. Please go ahead.
- Jainam Ghelani:** Thanks for this opportunity, and congratulations for a good set of numbers. I have a few questions about TAN. So, currently, what could be the domestic demand for TAN and how much of it is being imported?
- Abhay Baijal:** My understanding is that domestic production is close to 1 million tons. Imports could be varying between 200,000 tons to 400,000 tons depending on what positioning happens. That is how it is. It is increasingly demanded in terms of infrastructure development, in terms of mining, in terms of border roads, in terms of cement production and so on. All of that is contributing to the growth and government's CAPEX investments also helps as it is mostly infrastructure related. The growth, I am told, close to 6% CAGR.
- Jainam Ghelani:** Okay. So, sir, we are expanding into TAN and our competitor is also expanding into TAN. So, do we see an oversupply situation in the near term?
- Abhay Baijal:** There could be going forward in the next 2-3 years because other capacities are also coming. Assuming that they do come, it is not going to be very long in the sense that there is not too much of overcapacity. So, I think it will also depend on what is the cost structure of the other person that's where Chambal does score.
- Jainam Ghelani:** Okay. And so what could be the EBITDA per ton we can expect in this project?
- Abhay Baijal:** You will have to wait. We will reveal that when the time comes.
- Jainam Ghelani:** Okay. And would you be backward integrating into ammonia too for this project?
- Abhay Baijal:** We are conservative in terms of planning projects. We have a certain payback number of years in our mind when we do the project, and we are confident that we will achieve it.
- Jainam Ghelani:** Okay, sir. That's it from my side. Thank you.

Moderator: Thank you. Next question comes from the line of Harmish Desai from Phillip Capital. Please go ahead.

Harmish Desai: Good evening, my first question is on the IMACID expansion. How much CAPEX do we expect to incur in this expansion?

Abhay Baijal: \$173 million.

Abhay Baijal: And what is our total CAPEX that we have incurred in 9 months apart from the TAN CAPEX?

Abhay Baijal: I will ask Mr. Anand Agarwal to answer this question.

Anand Agarwal: Current year, we have actually invested around Rs. 357 crore of CAPEX, out of which, TAN is around Rs. 250 crore.

Harmish Desai: Understood, Sir. Yes. And in TAN, so now we have shifted the date to January. So, how much time will it take for us to ramp up the project and any expectation of contribution from the TAN business in FY '27?

Anand Agarwal: Yes, in FY '27 we will definitely have positive contribution. Currently we are not being too aggressive on our estimates, but hope it will get ramped up very soon.

Abhay Baijal: Yes, I will just make this point. January 26 is the date of commercial production delivery. That means it meets all parameters in terms of capacity, in terms of efficiency, in terms of quality. The trial will begin before January 26.

Harmish Desai: Got it. And, sir, this you mentioned in a presentation that we have achieved our energy efficiency has increased by 3%. So, how much does it translate in terms of increase in EBITDA?

Abhay Baijal: See, I will just give you, this is a rough computation. 3% saving from Rs. 5,000 per Gcal.

Harmish Desai: Okay, got it. And, sir, if you can just help us with the volume numbers for Gadepan-I, II and III?

Abhay Baijal: That I will ask Mr. Jain.

Anuj Jain: Gadepan-I, in the quarter, we had production of 2.96 lakh tons and Gadepan-II 2.67 lakh tons, and Gadepan III 3.55 lakh tons. So, total put together we had production of 9.18 lakh tons.

Harmish Desai: And the gas cost for Q3?

Anuj Jain: Gas cost for Q3 is about \$15.85 per MMBTU on NCV basis.

Moderator: Thank you. Next question comes from the line of Prashant Biyani from Elara Securities. Please go ahead.

Prashant Biyani: What would be the mode of our share of IMACID investment?

Abhay Baijal: We don't have to invest. They have got enough cash.

Prashant Biyani: Okay, so dividend receipt and all those things will continue as they are continuing.

Abhay Baijal: Dividend will go up and down. We may take dividend and then reinvest back into them. That's up to us what we want to do. That's a tactical decision from time to time. Let me also tell you that Chambal is quite serious in looking at ensuring Phosphate supply or securing Phosphate supply chains in Phosphate rich countries. So, there are discussions which are on, we will inform you from time to time as to what we are and what our progress in that matter is.

Prashant Biyani: What kind of urea volume run rate can we have in Q4? Last year Q4, there was some lower number for some reason.

Abhay Baijal: See, what happens in the last quarter is that we go under, what we call the annual turnaround. Last year we had two, in Gadepan-I and II. This year, we have only one, which is Gadepan-III. So, I would only hazard a guess. Assuming that the plants run full capacity, if you minus the amount of 3,900 tons per day for Gadepan-III for about 30 days, that's the amount of minus that you will get. But there are one or two nibbling problems in Gadepan-I and II, very short shutdowns will be taken. So, I would guess between 1 lakh to 1.5 lakhs tons.

Prashant Biyani: 1 lakh to 1.5 lakh tons?

Abhay Baijal: From the normal run rate.

Prashant Biyani: Right. And told this year G3 will go under shutdown, if I heard it right?

Abhay Baijal: Yes.

Prashant Biyani: And how much is the net debt at the end of Q3 or net cash?

Abhay Baijal: There is no debt. Cash is high. Rs. 3,000 crore.

Prashant Biyani: Okay. And for or within CPC-SN, what could be the breakup of CPC and SN revenue on an annualized basis?

Abhay Baijal: I think it is, if I am not wrong, either 65:35 or 70:30, depending on which quarter we sell what.

Prashant Biyani: Okay. A recurring question, after the expiration of G-III benefits, first of all, we do not know how much the benefits will reduce by, but any further plans or decision if we have taken on, how are we going to compensate that through any of the growth projects? You also mentioned about securing the phosphate supply for India, so when can we hear something on that?

Abhay Baijal: Very soon, but it depends on negotiations.

Prashant Biyani: Outer timeline of this?

Abhay Baijal: I cannot say that, that is very difficult to say because when we are dealing with foreign partners, where it ends, how it ends, one does not know. But we are quite on the way to discuss that. And there is an active interest on both sides, that much I can say.

Prashant Biyani: This could lead to some investments in India or internationally?

Abhay Baijal: It will lead to international investments.

Prashant Biyani: And we will secure the supply chain till the end or --?

Abhay Baijal: It depends. It is not only for India, it is a global business.

Prashant Biyani: Right. So, would there be role of government as well in this?

Abhay Baijal: I do not think so.

Prashant Biyani: Okay, sir. That is it from my side. Thank you.

Moderator: Thank you. Next question comes to the line of Dhruv Muchhal from HDFC AMC. Please go ahead.

Dhruv Muchhal: Just on Prashant's earlier question, so the Phos acid you mentioned is for global supply or we can think of this as downstream for the NPKs that we may put in or just from largely global suppliers?

Abhay Baijal: We already manufacture 5 lakh tons in IMACID. 70% to 75% of that material comes to India. Balance 20%-25%, 30%, depending on supply circumstances is transferred to OCP sometimes, which they use for their global supply. In this, additional 2 lakh metric tons, we have to see how we can find the markets to absorb these quantities, either in India or abroad. But this has an advantage, given the fact that, as I told you, this is the least capital cost project, and will be most efficient also.

We have a very good price advantage in terms of the fixed cost that is loaded on it, of course, the other costs in terms of the cost of rock and so on, these are very low cost. Fixed cost-wise, it is one of the most efficient plants. So, that gives us some advantage. In terms of the world's supply, that is a question of marketing and it is between the partners how we go about doing that. If the Indian market is not ready to pay the market prices, then why should we send it to India.

Dhruv Muchhal: Sorry for my lack of background on this, so whatever IMACID expands or sells, the marketing right for that is with Chambal or the responsibility is with Chambal, is it?

Abhay Baijal: It is between the partners, but OCP is the lead in that.

Dhruv Muchhal: Okay, got it. Perfect.

Abhay Baijal: And then somewhere there are long term supply agreements or amendments with India, so that continues. But if there are anything excess of that, it can get transferred to world supply.

Dhruv Muchhal: The other thing was just on the cost, probably not as relevant for you, because that goes in the JV, but you mentioned around \$173 million, which is about say at the rate of Rs. 83 is about Rs. 1,400-odd crore. Sir, some of our peers domestically are expanding Phos-acid of a similar capacity, incremental in sense, at about Rs. 200 - 300 crore. So, the additional amount is because of the sulphuric acid, is it?

Abhay Baijal: You are right.

Dhruv Muchhal: Okay, got it. And the other thing was on the energy efficiency gains, in your presentation you mentioned 3% improvement in energy efficiency and 125 metric tons per day of incremental production. So, sorry, again a simple understanding



lacking is, does both of that flow into our EBITDA or something has to be shared with the government? I mean, in terms of our math to understand what is incremental EBITDA gain, 3% of energy cost and 125 metric tons of incremental production both adds to EBITDA, is that the right way?

Abhay Baijal: Yes, they add to the EBITDA, but you made an important point as to whether some gain sharing takes place. Yes, there is a gain sharing formula. And on the additional production that we do, it goes beyond the RAC. And as you know that there are two parts to the compensation to the plant, one is up to RAC and one is beyond RAC. While the energy efficiency works on the entire production, the additional production comes under beyond RAC production.

So, depending on how the other things, factors play out in terms of the price of imports of urea and the dollar and so on and so forth, that could vary. But so far as we are continuing to improve on efficiency and that's one of our target strategy in that sense, and we continue to improve regardless. Because we want to be prepared for a day when this may get decontrolled and we should be, in terms of cost structure, one of the finest cost structures all over the world. So, in that sense, this is a priority project for us. Not only this, but going forward we have planned up three or four other projects. And we will see if this happens episodically, because we first establish a base and then we again see from that base how much we are going to do. So, this is a continuous kind of a process, but it takes place every two, two and a half years on the basis of studies we do.

But coming back to your question, that is a question of how the circumstances play out insofar as gas cost, dollar, what is the import price of urea and so on. So, to that extent, some of the factors are not under our control. But what we really want to do is to keep pushing the barriers and the envelope down and down and down, that's what we want to do.

Dhruv Muchhal: So, if I understand, as per the mechanism, 3% of the savings, the energy efficiency savings of 3% that you mentioned, that is direct, that flows completely to you, there is no ambiguity. The 125 metric tons, whatever incremental production, that depends upon market forces, multiple variables as it happens?

Abhay Baijal: In the energy gain somewhat of a gain sharing is there. But since it is a consistent policy for every ton or for every Gcal, you will get a certain amount of compensation on production beyond RAC.

Dhruv Muchhal: And last question if you can share, what would be the ammonia profit this quarter and for nine months, surplus ammonia?

Abhay Baijal: Profits, see, this year have been a little soft. I would say we have done I think about 80,000 - 81,000 tons of sales till now. I think a reasonable four-digit profits are there.

Dhruv Muchhal: Okay, perfect. Great, sir. Thank you so much. And all the best. Thanks.

Moderator: Thank you. Next question comes from the line of Harmish Desai from Phillip Capital. Please go ahead.

Harmish Desai: My question is on seeds, you mentioned that the new focus area is going to be seeds going ahead. Any update on that?

Abhay Baijal: I just mentioned that we have tied up, in terms of hybrid wheat, in terms of millet, in terms of maize, in terms of mustard.

- Harmish Desai:** Understood. And the increase in NPK volumes, now that there is not much change in subsidies, so, what has led to this increase in Q3? And do you expect this run rate to continue in Q4 FY'25 as well?
- Abhay Baijal:** Q4 FY'25 normally is not a quarter for sales of NPK. Its sales will start basically from first quarter of next year, which is when the Kharif really kicks in. So, it's not really a quarter where we will have high sales. But coming back to what you said about NPK, let me tell you that we have tied up some quantities for the Kharif in the NPK side, and we are adequately stocked for it.
- Harmish Desai:** Understood. And my last question is on LDAN, the delay in the TAN project is because you guys are trying to accommodate the LDAN equipment. So, earlier the plan was to just introduce HDAN. So, going ahead it is going to be HDAN and LDAN both, once the TAN project is commissioned?
- Abhay Baijal:** Let me just clarify to you. We have made a provision to install LDAN equipment alongside the original configuration. Because, if we had not done that, then we would have to take a very long shutdown sometime in the future or to shut the plant for four months, six months, ten months, in order to incorporate those things. It's like this, that if you want to build a four bedroom house, you have laid the foundation for 4 rooms and built 3 rooms, the fourth room will be added as and when necessary. So, to create that position we had to change the equipment orientation and do some re-engineering. I hope I make myself clear.
- Harmish Desai:** Yes, sir. That is all from my side. Thank you for taking my question.
- Moderator:** Thank you. Next question comes from the line of S. Ramesh from Nirmal Bang. Please go ahead.
- S. Ramesh:** Good evening. And congratulations on your good results. If you look at the crop protection business, in your expansion to Rs. 1,750 crore by '27, the delta in terms of the contribution is declining as a percentage. So, is that something you are making on a conservative basis or is there a reason in terms of your product mix and your rating on the market, how should we see that?
- Abhay Baijal:** I think it is a question of representation, whether we are presenting it in terms of gross or net. I will ask Anand to explain what is happening, because what is really the projection that was given was I think on the basis of gross sales. And what we are reporting in this segment is on the basis of net sales, which is after trade discounts and all that. That is where the difference is.
- S. Ramesh:** Yes. But in the Slide #6, if you see, if you look at revenue and contribution for FY '24, the percentage margin is more than 25%. And if you see the target revenue for '27, Rs. 1,750 crore and the contribution target of Rs. 310 crore, the percentage margin is declining. If you take the delta --
- Abhay Baijal:** In that Rs. 1,750 crore number, you deflate it by about 20%, you will come to the number we are talking about.
- S. Ramesh:** Okay, I think that there is a difference in terms of the revenue reporting.
- Abhay Baijal:** It is represented on gross basis or net basis, which I just explained to you that when we are doing it in the segment results, it is on net basis. For the sake of consistency and not to make a variation, we decided to keep sticking to the gross as was reported initially.

- Anand Agarwal:** The FY-27 number which we had told, was a gross number. And what we have to put up in our accounts is a net number, and that is the difference. So, it will be somewhere around 20- 22%.
- S. Ramesh:** So, are you saying that FY '24 number has to be deflated or the Rs. 1,750 crore has to be deflated?
- Anand Agarwal:** The projected number has to come down.
- S. Ramesh:** Okay, fair enough. So, if you look at your overall strategy for the crop protection business, how are you reading the current pricing environment and the demand growth? And in terms of the top-line growth for next year, what will be the kind of percentage volume growth you can get? And to the extent that there could be some continued pressure on pricing, what would be the revenue growth on a given volume growth?
- Abhay Baijal:** We continue to grow at the rates that we have been doing. In fact, trying to better it. That's my brief to the team. Therefore, if you recall, in my opening statement we said that we are now starting to get Gen 1x molecules and we are creating strong alliances with companies which have got research base. And therefore, we are introducing those new products and therefore expanding the portfolio to at least three to four new products every year. So, that is what our strategy is and that will give us growth. Plus, there is, as we widen the channel, as we take more wallet share in the channel, the growth will come from there. So, we feel that we will continue to grow in the segment.
- S. Ramesh:** Yes. So, if you look at the nine-months FY'25 revenue growth is 19%, Q3FY'25 growth is 26%. Can you give the breakup in terms of how much of this is volume growth? Because the reason why I am asking is, on this base if you look at certain volume growth, if there is some price decline, the top-line growth might look lower. So, on this if you can give us the volume growth out of this third quarter and the full nine months of revenue growth, that will be helpful.
- Abhay Baijal:** I think you can discuss this offline with Anand. He will give you, how much was volume and how much was price, that you can discuss with Anand.
- S. Ramesh:** Okay, fair enough. Sir, in the TAN project, if I may ask, if you look at the long-run economics of that business, what is the utilization you require to get your threshold IRR of around say 14- 15% that you may expect in that?
- Abhay Baijal:** See, Chambal believes in running its plant at 100% plus, first of all, that is what it is. As far as the IRR is concerned, it is computed on a conservative basis. And that, I would say, they have got a certain breakeven number. I would not tell you what the breakeven is, but we will be above breakeven even at 80- 85%.
- S. Ramesh:** Okay. Finally, in terms of the thoughts on capital allocation, you are going to get incremental cash even after the TAN project is executed. And given your portfolio in terms of a subsidized business, your trading business which perhaps is a little bit more vulnerable to the global crisis, and the crop protection business which seems to have its own leg. So, incrementally, in terms of your focus, where will you allocate this capital once the TAN project is completed?
- Abhay Baijal:** I think I just made a mention of global phosphate supply chain somewhere. I think that will be one of the breakthroughs that if I could do, or the Company could do during this time, that will create a very strong base for Chambal to be a global phosphate player. And that is one area we are definitely looking into. Seeds is



another area we are looking into. There, we will start with reintroduction of Chambal back into the market. And then take it forward from there, and add value one way or the other going forward. So, that might require some inorganic movements into the market.

And as I said, biologicals is one of the very key areas that we are working in. And we believe that we will be creating a very strong pipeline of products through the TERI research. There is a very systematic program being run there with targeted products which will come out in '26-'27, '27-'28, '28-'29. And there is a very large ambition out there to go up to almost Rs. 300 - 400 crore of biologicals sales. And those will be increasingly important elements in what we are doing. And as far as Speciality Nutrients are concerned, we will be creating some very specific grades and all that. So, those things are being cooked as we speak. And we will definitely keep adding to the portfolio.

S. Ramesh: Okay, fair enough. Thanks a lot and wish you all the best.

Abhay Baijal: Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I would now like to hand the conference over to the management for closing comments.

Abhay Baijal: So, thank you very much, gentlemen and ladies, for your patience hearing into our conference call. We hope to continue to do well and continue to serve the investor community. Thank you very much once again for your participation.

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

NB: Wherever required, for clarity, we have made minor corrections in the text without changing the content.