



# Paradeep Phosphates Limited Q4FY26 Earnings Conference Call

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**MODERATOR:** **MR. MANISH MAHAWAR – ANTIQUE STOCK BROKING  
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**Moderator:** Ladies and gentlemen, good day, and welcome to Paradeep Phosphates Limited Q4 FY '26 Earnings Conference Call hosted by Antique Stock Broking Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manish Mahawar from Antique Stock Broking Limited. Thank you, and over to you, sir.

**Manish Mahawar:** Thanks, Neerav. Hello everyone. I am pleased to host today's Earnings Call of Paradeep Phosphates.

We have leadership team represented by Mr. Rajeev Nambiar – Joint MD and COO; Mr. Harshdeep Singh – President and Chief Commercial Officer; Mr. Bijoy Biswal – CFO; and Mr. Alok Saxena – Head, Corporate Finance and IR on the call.

Without further ado, I would like to hand over the call to Mr. Nambiar for opening comments. Post which, we will open the floor for Q&A. Thank you, and over to you, Rajeev sir.

**Rajeev Nambiar:** Thank you, Manish. Good morning, everyone, and welcome to Paradeep Phosphates Limited's earning con call for the quarter-ended March and the Financial Year 2026. I appreciate your time and interest in our company. I trust you have seen our earnings and presentations and press release which have been circulated and are available on our website and stock exchange.

**Let me give you an overview of our business:**

I am happy to report that PPL has once again delivered a robust financial and operational performance and best-in-class EBITDA per ton. Many congratulations to all of you.

In the Financial Year 2026, revenue from operation increased by 29% Y-o-Y to INR 21,826 crores. EBITDA rose up by 33% to INR 2,259 crores. Profit before tax increased by 46% year-over-year to INR 1,328 crores. And the profit after tax stood at INR 1,000 crores, up by 52%.

For the quarter-ended March, the company reported total revenue of INR 4,702 crores with an EBITDA of INR 484 crores with the PBT stood at INR 202 crores and the profit after tax at INR 161 crores.

Production volumes grew by 8% year-over-year and it stood at 36.66 lakh metric tons, achieving almost 100% capacity utilization of our existing capacities, reflecting our continued endeavor for manufacturing excellence.

Sales volume rose up to 42.1 lakh metric tons with a 10% Y-o-Y. Growth was led by strong performance in value-added NPK grades. NPK as a category, including TSP, grew by 22% to 24.64 lakh tons.

Despite global uncertainty and volatility in key raw material availability as well as pricing, along with the INR depreciation, PPL has been able to deliver a consistent and robust performance through high operational agility, integrated operation and supply chain sourcing efficiencies.

**Let me also give an overview related to the key projects we have completed in the Financial Year 2026:**

During the year, we commissioned our Sulfuric Acid plant at Paradeep, half a million ton capacity, and at Mangalore, 0.1-million-ton capacity, thereby increasing our Sulfuric Acid capacity at company level by 0.6 million tons annually, an increase of 45% of the total capacity. The benefit of incremental Sulfuric Acid capacity commissioned this year will be available to us in Financial Year 2027 and will aid in improving our quality of earnings further.

One more important project at Goa, we have completed our energy efficiency project, and the improved energy benefits have started coming as we speak now.

Our plan to double the Phos Acid capacity from 0.5 million ton to 1 million tons is on track, and directionally, we endeavor to make all our sites 100% backward integrated in phosphoric acid. The Phase-I of this expansion, that is from 0.5 million to 0.7, Paradeep is underway and is expected to be commissioned by Financial Year 2027.

Sustainability remains core to our operations and during the year, we achieved S&P Global ESG score of 76 and ranked top 2% in the global chemical sector. Through our expanded distribution and digital outreach, we are now engaging with over 15 million farmers across 18 states, supported by more than a lakh retailers and 6,800 dealers, and a strong on-the-ground advisory network.

**In summary:**

PPL remains committed for strategic growth and expansion, build economies of scale, and deepen our market presence.

**Let me also give you an outlook for the future:**

Looking ahead, we remain optimistic about the fertilizer demand, continued government trust on soil health, and rising shift towards balanced and specialized nutrient applications.

However, we remain in the challenging time amidst the Middle East situation, and we have seen spurt in key raw materials, particularly ammonia and sulfur. As you are aware, Middle East contributes significantly to raw materials, particularly ammonia and sulfur, which is almost like

70%-75%, and most of the shipments across the Strait of Hormuz. While industry stock remains balanced at this point, industry is making concentrated efforts and empowered committee comprising of government and industry officials have been working in close coordination to ensure fertilizer production and raw materials sourcing planning.

Thanking you all of you once again, and I now open the floor for questions. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Deep Sanghavi from Dalal & Broacha. Please go ahead.

**Deep Sanghavi:** So, yes, first of all, thank you so much for taking a question. My first question is regarding the operating cash flow, which was negative this year, around negative 1,000 crores. So that was largely driven by the increase in the inventories and receivables, right? So, could you help me understand the key reasons behind this and whether this should normalize going forward?

**Bijoy Biswal:** So, thanks for the question. No, this is, yes, we are quite mindful of that there is a negative operating cash flow. But this is mainly on account of the increase in the inventory and increase in the trade receivables and subsidy. This increase in inventory is mainly to accommodate this increase in the raw material prices. This is going to unfold in Q1 of '27.

So, that is a, what is it, strategic call that we should, you know, we hold this additional inventory of around 30 odd days. And this subsidy receivable is mainly on account of the increase of the DAP prices, DAP subsidy, and other things which came toward the end of the period. And all these things, whatever is there, that will get unwinded in this Q1 and we will definitely reap the benefit of this stock holding and this subsidy receivable in Q1.

**Deep Sanghavi:** And my other question is regarding the Sulfur prices, which are still higher. So, what could you give a little guidance about that for the future? And so last, I think last con call, you also said that you are sourcing domestically from the IOC and MRPL, which is in Mangalore. So, can you also give something about that, please?

**Rajeev Nambiar:** Sulfur prices remain under stress actually for last few months. And we expect that actually, under the Hormuz situation deescalates. There won't be a major impact which is coming and supporting us. But as you said, actually, we are taking out 100% of this Sulfur MRPL from Mangalore.

Even with the increased capacity, the recent 300 tons plan we commissioned is currently running at almost 400 tons. And the Paradeep, almost 20%-30% of the Sulfur requirement comes from the IOC Paradeep. So put together, domestically, we are poised towards a comfort position. But yes, internationally, we remain under stress condition for Sulfur.

**Deep Sanghavi:** And my last question is regarding the future guidance. So the company is, I think, they are looking for increasing the share in higher margin NPK fertilizers, right? And of course, the backward integration as well. So, in the medium-term trajectory, so what could be the EBITDA per ton For FY '26, it was around 5,100 per ton, right? So, what could be the--

- Alok Saxena:** Yes, so currently, the spread was 5,300, I think. And as we deepen the backward integration across Phos Acid and Sulfuric Acid, the spread is going to increase. But we also have to take care of the global situation that is in place. So, it will be hard for us to give you a specific number for FY '27. But given the supply chain linkages and the backward integration that we have, the backward integration benefit should flow in FY '27.
- Moderator:** Next question is from the line of Prashant Biyani. Please go ahead.
- Prashant Biyani:** Sir, how are you placed with regard to raw material availability for Q1? How much of your requirement you have already bought pre-war? And how much are you having to buy at higher prices which are prevailing right now?
- Rajeev Nambiar:** Prashant, we remain optimistic for the Q1 because we have covered most of the Q1. And Q2, the situation is unfolding. It will be a little difficult for us to give a direct answer for the rest of beyond Q1, I think.
- Alok Saxena:** And Prashant, I think industry is actively engaging with government on this aspect, particularly for Q2. And almost daily discussions are being discussed with Secretary of Fertilizers and MDs of the major companies. So, I think all the stakeholders are involved and we should get some clarity very soon. But as Mr. Nambiar said, Q1 is adequately covered. For Q2, the company as well as the industry is working with the government to have more visibility.
- Prashant Biyani:** Mr. Nambiar, can you share some update on our CAPEX, which is underway across granulation, Phos Acid, and Sulfuric Acid?
- Rajeev Nambiar:** Sulfuric Acid, if you look at it, actually two projects were completed last year, that 0.5 and 0.1, 0.6 altogether. The next Sulfuric Acid project is actually we are in the stage where the commercial offers are coming now. We should be able to take a call in terms of our proposed 3,000 tons per day Sulfuric Acid by within this quarter, actually. And Phos Acid also, it will be coupled with both together. So, in spite of all these challenges coming on the global scenario, our commitment for our CAPEX remains the same.
- Prashant Biyani:** Currently, it would be in design stage or we have finalized vendors for construction?
- Rajeev Nambiar:** We are in the finalizing stage for the vendors. We have almost received the quotes and there is a separate team working on it.
- Prashant Biyani:** How much would be the CAPEX for FY '27 that we are planning?
- Bijoy Biswal:** FY, normal CAPEX will be around INR 600 crores, which is completely, the financial closure has been done. So, this is normal CAPEX and something of all this major projects or some outflow will be included there.

- Alok Saxena:** And Prashant, just for FY '27, the major projects that we expect to close this year will be expansion of Phos Acid from half a million tons to 0.7. So, there is an incremental 200,000 tons of Phos Acid that is expected in FY '27. And the key other project is some debottlenecking at Paradeep unit. So, these are the incremental, I would say, the cash flows that are expected to receive from the project that is getting completed. And all other major CAPEXs, as we have said earlier, is likely to be done by FY '28 and FY '29.
- Prashant Biyani:** I will rejoin the queue.
- Moderator:** Next question is from the line of Riju from Antique Stock Broking. Please go ahead.
- Riju:** A few questions. First one is regarding the Goa plant energy efficiency. So, the Goa plant energy efficiency project that we have completed in Q4 or in the Q3?
- Bijoy Biswal:** So, can you repeat the question?
- Riju:** So, the Goa plant energy efficiency project, so that we have completed in Q4 or earlier Q4?
- Rajeev Nambiar:** No, no, this is Q4.
- Bijoy Biswal:** Q4. We have taken the shutdown actually from the month of February and completed in the last week of April.
- Riju:** So, sir, I think as per your earlier guidance, I think 6.4 to 6.1 Gcal kind of energy efficiency that will be in Goa plant. So with that, how much EBITDA per ton improvement that we can expect from going forward?
- Bijoy Biswal:** So, look, the guidance that we have given that from 6.4 to 6.1, that energy efficiency will accrue to us. So, in current gas price scenario, it will be around INR 1,000 to INR 1,200 per ton of urea at EBITDA level.
- Riju:** And sir, in terms of the MCFL urea plant, I think there were some issues, like there was some policy issues due to which we were expecting that EBITDA per ton to be lower. So, if you could indicate the EBITDA per ton for the MCFL plant as of now, maybe in the H2 of '26?
- Bijoy Biswal:** No, look, earlier to this policy change, there is a reduction in this norm, a benchmark energy norm from 7.3 to 6.5. So that impacted the EBITDA by around INR 3,000 per ton. And current level, it will be around INR 6,000, INR 6,500 rupees. And yes, this is the scenario as of now.
- Alok Saxena:** Just to add, there was no policy change. That was an incentive given, because we switched over from naphtha to gas and that has expired. So there is no, as far as policy change, it was an investment benefit that was accrued to us for a period of year, which has done so. So, there is no major policy shift as far as that is concerned.

- Riju:** So the margin that we used to get roughly INR 6,000 per ton for the MCFL urea, so that we are getting till now, right?
- Alok Saxena :** Yes. And it is also a function of the global gas prices. The margins in urea is a function of the global gas prices.
- Riju:** And also, sir, we have expanded Sulfuric Acid capacity at the MCFL plant. I think that might help in terms of getting the higher margin for the urea plant because of the power generation from the Sulfuric Acid plant. So, how we can look at that scenario in '27?
- Rajeev Nambiar:** We are expected, actually, we have been using this team from the Sulfuric Acid plant to the other one. So, at least almost INR 1,000 per ton could be the impact, which is on a favorable side.
- Riju:** And sir, one last question in terms of the overall capacity utilization for the Goa plant for this year and for the MCFL plant for this year for the NPK and for the like urea and non-urea, both if you could bifurcate those two numbers for the FY '26.
- Bijoy Biswal:** No, we have produced around 4 lakh ton of urea at Goa and around 7 lakh ton of NPK. And in Mangalore, same 4 lakh ton of urea and 3.5 lakh ton of NPK.
- Rajeev Nambiar:** Both the plants have actually completed the RAC quantity. And afterwards, only we went for the Goa energy saving project. And in terms of NPK, actually, Goa is almost like 0.7 to 0.8 in between. And Mangalore is almost a full capacity of 0.4. So put together, both the plants are run wonderfully well in terms of capacity utilization.
- Riju:** And sir, one last thing. I think earlier we have mentioned the debottlenecking of granulation capacity to Odisha plant, roughly around 2 lakh ton. So, that might come in FY '27. Is that correct understanding?
- Rajeev Nambiar:** It will be in 2027. This current year, it will come.
- Riju:** So the incremental volume, that can we expect from this year or maybe from the next year?
- Alok Saxena :** So you should expect this in second half, the incremental volumes coming into the company.
- Riju:** Thanks for clarifying all this.
- Moderator:** Next question is from the line of Viraj from SIMPL. Please go ahead.
- Viraj:** Just a couple of questions. Firstly, if I look at Q4 and for the year gone by, what will be the EBITDA per ton on the manufactured volumes DAP NPK?
- Bijoy Biswal:** Yes, we give the product blended margin, EBITDA margin, that is around 5,700, you know.

- Rajeev Nambiar:** For the Q4, it is 5,700. And the whole year, it is 5,300.
- Viraj:** Yes, but for the manufactured business, any indication you can give, how much would that be?
- Alok Saxena:** Yes, we give you a blended company level and obviously traded products will be at a lower number.
- Viraj:** But this will be purely the DAP NPK business, right? Not in the Urea piece.
- Alok Saxena :** No, this is at a company level. So, it includes everything.
- Rajeev Nambiar:** All put together.
- Viraj:** Second question is, now, what is the current level of backward integration post the Sulfuric Acid and the phos acid we have? And once the expansion of phos acid and other initiatives, what will be the backward integration in a year or two down the line?
- Rajeev Nambiar:** It will be around 80% to 90% percent.
- Bijoy Biswal:** Paradeep is almost like fully integrated, actually. So, Paradeep expansion, which is coming from 0.5 to 0.7 should cover most of the other two units requirement of Phos Acid also.
- Viraj:** And for Sulfuric Acid, sir, are we?
- Bijoy Biswal:** No, Sulfuric Acid, for Phos Acid, it is 100% backward integrated. If you take up N20 product, then there will be some requirement. You have to import around 10%. But in Mangalore, it is 100% backward integrated, Sulfuric Acid.
- Viraj:** Just one last question. I mean, now the subsidy rates are out by the government. With the way the key raw material prices are behaving right now, how should one understand strides for us in the first half? I mean, do you think there is more flexibility in terms of adjusting the market prices to cover for the raw material under recovery or where does the larger focus lie? Any color you can give?
- Harshdeep Singh:** Just to share with you, we retain our price leadership as far as market is concerned. So, we have taken a price increase in NPK. However, we are also working very closely with the government because the entire price increase cannot be passed on to the customer also because the sulfur and ammonia prices are extremely high in the current situation. And we expect the government also to be equally supportive on that.
- And at the same time, we are also having a strategy where there is clarity in margin like focusing on products like DAP, which also ensures that we maintain our overall profitability. So, that is how we are doing it. But in terms of NPKs, we are a leader in the market in terms of our market realization also.

- Viraj:** I understand. But generally, there is no issue in terms of availability of raw material. It is just the prices are at abnormal levels. So, in terms of Kharif, we are well covered in the supplies.
- Rajeev Nambiar:** Yes, Kharif, I think we are quite confident and optimistic about it. But we are making our endeavor to see actually for future tie-ups certain faster.
- Viraj:** I will come back in queue.
- Moderator:** Next question is from the line of Kiran Naik from Modi Fincap. Please go ahead.
- Kiran Naik:** Sir, if I am correct, I saw the presentation shown on the BSE India on a website. Sir, the EBITDA margin for the full year was 8.4. Am I right?
- Rajeev Nambiar:** 8.4 what?
- Kiran Naik:** Percentage. EBITDA margin shown for the '26 financial year. Or was it 10.03? 10.3?
- Bijoy Biswal:** EBITDA margin is 11% for the year.
- Kiran Naik:** 11% for the year. So, can we expect, sir, because the conditions are not good geopolitically, so can we expect for '27 EBITDA margin 10%?
- Alok Saxena:** See, I think the percentage is not the right metrics for us as an industry. We evaluate the industry as EBITDA per ton. So, I think the right metrics for us is to look at it as EBITDA per ton.
- Given the situation we are in today of the Middle East, we will not be able to give EBITDA per ton at this moment of time. But I think with the kind of supply side linkages that we have and the marketplace penetration we have, we should be able to end the year with good margins.
- Kiran Naik:** Revenue expectation for '27?
- Rajeev Nambiar:** What is that?
- Kiran Naik:** Revenue expectation for '27?
- Rajeev Nambiar:** We will still hold ourselves because let things settle and we will come back actually.
- Bijoy Biswal:** The situation is quite volatile. See, our endeavor is to get the raw materials to produce. So, if we are able to do that, then definitely we will see a growth.
- Harshdeep Singh:** See, just to kind of give you a perspective from the market side, see, we had opening stocks, we have had a good visibility on Kharif. So, we will continue to maintain our leadership. And hopefully by another two to three months, we should get a clarity on the Rabi supply chain. But

we are very confident as far as market leadership is concerned. So, I don't see any concern, except for very unacceptable situations where the value chain is impacted.

- Moderator:** Kiran, may I request you to come back for a follow-up question, please?
- Kiran Naik:** Yes.
- Moderator:** Next question is from the line of Sandeep Mukherjee from SKP Securities. Please go ahead.
- Sandeep Mukherjee:** Sir, my first question is like what was the N20 volume in the total NPK mix for Q4 and FY '26?
- Harshdeep Singh:** Good morning. So, N20 volume which we did was 14.5 lakh metric ton. And we grew almost 9% over last year. And we are among the top two, three companies today in the NPK volumes.
- Sandeep Mukherjee:** Sir, for N20, this is for N20, sir?
- Harshdeep Singh:** This is for N20, what I am talking of, 14.5 lakh metric ton.
- Sandeep Mukherjee:** And for traded products, what were the volumes for TSP, DAP and MOP, sir?
- Harshdeep Singh:** TSP was around 2.8 lakh metric ton. And DAP was around another 2.2 lakh metric ton. Overall import portfolio was around 0.6 million tons.
- Sandeep Mukherjee:** 0.6 million tons. Okay, sir. And what was the gas cost for the quarter?
- Rajeev Nambiar:** What is that?
- Harshdeep Singh:** Gas cost.
- Bijoy Biswal:** Around \$14 for MMBTU.
- Sandeep Mukherjee:** And what is the current gas cost, sir?
- Bijoy Biswal:** It has slightly moved up. It is now around \$18 to \$19 because of this disturbance in the supply. But I can tell you that this entire urea energy cost is a pass-through. So whatever the increase in the gas cost, that will be pass-through. That will not impact this bottom line of the urea.
- Sandeep Mukherjee:** And out of the new project cost, sir, that INR 3,600 crore, so what was your spent in FY '26 and what is your planning for FY '27 spend?
- Rajeev Nambiar:** FY '26, actually most of the things were in the engineering stages. The actual cash flow will start happening in '27. And we expect that INR 600 crore will be spent in FY '27.
- Moderator:** Sandeep, may I request you to come back for a follow-up question, please?

- Sandeep Mukherjee:** Yes.
- Moderator:** Next question is from the line of Aman from Unified Capital. Please go ahead.
- Aman:** You made few remarks around government support and your communication with government. Can you elaborate a bit, I mean, what sort of measures you are expecting? Is it certain kind of an ad-hoc subsidy increases or support in some other form? If you can just expand on it, how you are looking at things as of today? I am asking this question considering the subsidy hike for the season has been just 10% while the raw material prices are up significantly.
- Harshdeep Singh:** Good morning to you. See, just to kind of give you the overview, government's policy as far as DAP and TSP is concerned, government has a clear advantage-disadvantage as a policy, which factors in the increase in the import prices and the price of the product.
- So, to that extent, DAP gets adjusted and your bottom line gets kind of adjusted positively with any price change. And we are also working closely with the government as far as the Sulfur and Ammonia raw material prices are concerned. So, that is how we look at it.
- Aman:** But in terms of availability, you don't see any challenge, even if you have to buy at current prices for Quarter 2.
- Harshdeep Singh:** So, the way we are looking at it, see, it is not that there is no challenge. We have ensured that more or less we covered our Q1 and we are securing our Q2. But you understand there is a lot of Sulfur which flows through the Gulf of Hormuz.
- So, while we are equally balanced because a lot of our Sulfur is sourced from the refineries within India. So, there is a good balance. And hopefully, if the situation resolves within the next few weeks, then I think the value chain should be streamlined. That is how we look at it.
- Bijoy Biswal:** And to add on to that, we are now focusing on low Sulfur grade products, which is increasing DAP and other things. So, there is a clarity of that policy. So, we are trying to minimize our Sulfur requirement.
- Moderator:** Next question is from the line of Aman Kothari from Aequitas Investments. Please go ahead.
- Aman Kothari:** Hello, everyone. Firstly, congratulations, sir, on a wonderful set of results. Sir, I think you covered the point on the inventory increase that we have done that deliberately for, let's say, meeting Q1. Can you tell how much inventory additional we are keeping a stock of as against to what we would do on a normal year?
- Bijoy Biswal:** No, this stock increase, the raw material stays around another 30 days. It is there to take care of this production for Q1. And in fact, that will benefit us looking at this northward movement of the raw material prices.

**Aman Kothari:** And on the balance sheet side, also, I think, for us, the total gross debt has increased to 6,800. And as you mentioned, a large part of this is, again, subsidy receivable that has to happen. So, do you think that, let's say, barring Q1, we could have a problem in the timing of the subsidy? And that could lead us to raising a possibility of short-term working capital? Because the government is already this thing--

**Bijoy Biswal:** Actually, in our working capital limit, we have adequate limit, which we have got it. Only thing is that the money what is stuck in this subsidy and inventory, that will wind up in this quarter. So, I don't see that this level goes up beyond from here. In all probability, it should come down.

So, once this parcel happens, the subsidy starts flowing, and this inventory goes out, the main consumption happens in June and July. So, this will definitely reduce, you know, this borrowing level, what are the working capital borrowing level, that will reduce.

**Aman Kothari:** And in terms of the NPK leadership that we have established, sir, we are almost growing on a company level, almost as 22% among the top companies. So, do you think that, I think in the last call also you had mentioned that maybe 50% of the market is still NPK, but that is also increasing, it is 45%. So, do you see that push by the government also happening, and you also seeing an increase in farming adopting to nitrogen NPK products?

**Harshdeep Singh:** Good morning. There are two dimensions. So, first is on the leadership. So, just to give you a perspective, let us say the industry growth of NPK standalone this year was minus 1%. And your company grew by 10%. So, in a situation where there was degrowth, we grew.

And if you include the TSP plus NPK, the industry growth was around 1.6%. We grew by 15%. So, that is the direction that we consciously taken to provide balanced nutrition. So, that is a long term strategy we continue to build up.

However, in the current year, you could have a mixed this thing because of constraints of Sulfur and other products. So, the strategy might be more tilted to ensure that the phosphate and nitrogen also is secured so that the food security is maintained.

So, you will see a government putting a lot of emphasis on urea and DAP. And of course, complexes it continues, but be conscious of the fact that the complexes for the farmer today are priced quite higher compared to the DAP and TSP.

**Aman Kothari:** So, if the prices are higher in this current phase, do you think farmers would want to switch to a NPK kind of product? I mean, I can understand the nutrient balance that they would want to have, but...

**Harshdeep Singh:** No, it is a natural preference. The first preference for a farmer would be to typically go products like urea and DAP. So, that is what would happen.

But like I was sharing with you with the last year also, with the industry where in NPK the industry didn't grow, but we grew by more than 10%. So, from that perspective, once you convey the benefits of the balanced nutrition to the farmer, you will see an uptake happening.

But in the current situation where there is too much of variance between the NPK price and DAP, you would see a balanced kind of growth in both the segments. But the overall phosphatic segment remains strong. That is how I look at it.

- Moderator:** Aman, may I request you to come back for a follow-up question?
- Aman Kothari:** Sure.
- Moderator:** Next question is from Shreya from CapGrow Capital Advisors. Please go ahead. Due to no response, we move on to the next participant. Next question is from the line of Sourabh Gupta from Madhya Bharat Agro Products. Please go ahead.
- Sourabh Gupta:** First of all...
- Moderator:** Sir, the line for the participant dropped. Next follow-up question is from the line of Prashant Biyani. Please go ahead.
- Prashant Biyani:** Sir, how much is the Phos Acid volume for Q4 as well as for FY '26?
- Bijoy Biswal:** No, we produce around 1.25 lakh metric tons in Q4. And year-on-year basis, 5,01,000.
- Harshdeep Singh:** 5 lakh plus.
- Prashant Biyani:** And for Sulfuric Acid for Q4 and full year?
- Rajeev Nambiar:** Altogether with the whole year, we produce around 1.8 million. 1.75.
- Prashant Biyani:** And for Q4?
- Rajeev Nambiar:** Just a second.
- Prashant Biyani:** Yes.
- Harshdeep Singh:** For Q4, this was 4,10,000.
- Prashant Biyani:** Sir, how much is the subsidy that we received in Q4 and how much is the outstanding right now?
- Bijoy Biswal:** We have received in Q4 2,600-odd crores. And the outstanding subsidy is 3,800 crores.
- Prashant Biyani:** 3,800?

**Bijoy Biswal:** Yes.

**Rajeev Nambiar:** Both brought coal and channel stock.

**Prashant Biyani:** Mr. Harshdeep, out of the total trading volume for Q4, how much is DAP and TSP?

**Harshdeep Singh:** DAP and TSP?

**Prashant Biyani:** Yes.

**Harshdeep Singh:** So, DAP was 2.2 million tons. Quarter also we will tell you the number. Just give me a minute. Q4 number for DAP was, DAP imported was 0.3 million tons. And TSP was 0.4 million tons for the Q4.

**Prashant Biyani:** 3 lakh and 4 lakh tons.

**Harshdeep Singh:** Yes, 0.3 and 0.4 million. Yes. Sorry, 0.3 lakh and 0.4 lakh metric tons.

**Prashant Biyani:** Okay, 30,000 and 40,000.

**Harshdeep Singh:** 30,000, 40,000. Yes.

**Prashant Biyani:** And sir, how much is the POS stock at the end of Q4 for DAP and NPK?

**Harshdeep Singh:** Total stock is around 8,30,000. And you want to understand the DAP stocks?

**Prashant Biyani:** No, for total phosphatic, DAP plus NPK.

**Harshdeep Singh:** DAP is around, at the end was 1.28 lakh metric tons. And NPK was around 6 lakh metric tons, 5.95.

**Moderator:** Next follow-up question is from the line of Aman Kothari from Aequitas Investments. Please go ahead.

**Aman Kothari:** Sir, is there any production guidance that we can currently factor in at this time of the year?

**Rajeev Nambiar:** Can you repeat it?

**Aman Kothari:** Any production guidance that we can give at this time of the year? I mean, I know there is uncertainty, but regards, let's say, 1st Quarter and then probably something further year.

**Rajeev Nambiar:** Basically, there are two anxieties is coming. One is ammonia side and second is in terms of the sulfur and Sulfuric Acid. The production volume remains almost like steady to large extent, at least 70% to 80% for us in the Q1. But we are just slightly shifting from these two intensive

products, ammonia intensive as well as from the sulfur intensive products, and wherever the policy clarity exists.

So, in terms of the running of the plants, as you know, all the three plants are running. To large extent, actually, we are covered till end of June. We don't have major anxieties. But since we produce around five to six different kinds of products, we have access actually whichever is shooting to the market as well as in terms of the policy clarity.

**Aman Kothari:** So, all the three plants are operating, we can say, above 90%?

**Rajeev Nambiar:** Not exactly. We can say around 80%.

**Aman Kothari:** And this is primarily because of the raw material constraints?

**Rajeev Nambiar:** Yes, yes.

**Aman Kothari:** And sir, the price of DAP that we are seeing at current rates, I think this has happened before also in a previous year where they deliberately reduced the volumes of DAP or trading. If you see the prices elevated, let's say, at a similar level for the next couple of quarters, do you think this is a deliberate step that we are going to again take?

**Harshdeep Singh:** See, we are not getting into the deliberate step. The way we look at it is the government has put kind of a structure where we are doing a buying as an industry consortium. So, there will be a very transparent and effective process as a country that we have done so that instead of people taking spot positions individually, okay, so we have kind of asked the people to quote, and we have got the L1 prices discovered. So, you are right, these are exceptionally high prices both for urea and DAP.

However, the view from the government side is that it is important that the farmers get their phosphates and nitrogen for the cropping season. So, that is how we look at it. And it is important that we maintain a certain strategic inventory as a country so that we are in a better bargaining position as we go into the subsequent season. That strengthens our position that way.

**Aman Kothari:** So, the two tenders that India Potash did, I think, at those elevated prices, that was an industry level procurement that was done, right?

**Harshdeep Singh:** Yes. So, it is not IPL's tender alone. It is IPL on behalf of a consortium of five, six companies, okay, the large phosphate company. We are a part of that. And we had a good offer availability. And we have only picked up the quantity that L1 prices.

**Aman Kothari:** And sir, I think, CAPEX plan that also that we have, I think, debottlenecking would almost contribute to us 0.3 million tons. So, I think you already mentioned that 0.2 is something we are targeting for this year. So, I am assuming that 0.1 will be targeted for FY '28.

- Harshdeep Singh:** Yes, yes.
- Aman Kothari:** And that will again be as a parity plan?
- Harshdeep Singh:** Yes.
- Rajeev Nambiar:** Partly, it could be coming from Mangalore, but both the units will have some growth coming out.
- Aman Kothari:** And just one last question to add on. Sir, this is an if scenario, but considering that we have now seen an import duty increase of some deliberate steps that government is having to take to reduce the impact that it is having. So, do you think that if this situation is elevated and there are steps that, since you are having a plenty of discussions with the industry, is there a possibility that fertilizer subsidies could get delayed at these elevated prices?
- Bijoy Biswal:** No. See, look, this ammonia and Sulfur prices, there is no custom duty. In fact, very recently. So, with this, now the kharif is coming in and the type of stock built up and the consumption is happening, we don't see that the subsidy will be delayed. As of now, we have got the subsidy up to April end.
- Alok Saxena :** And with the kind of discussions that are happening on daily basis with the government and industry, government is very protective of the industry because they believe that manufacturing has to go to ensure food security. So, there is no reason for us to have subsidy delayed.
- Bijoy Biswal:** And it is adequately budgeted. They have budget support for the subsidy. So, we don't see any reason for delaying the subsidy.
- Moderator:** Next question is from the line of Ankit from Steptrade Capital. Please go ahead.
- Ankit:** I just wanted to know how much percentage of your raw materials are imported? I mean, in terms of sulphates, etc.
- Bijoy Biswal:** It is not very clear.
- Ankit:** How much percentage of your raw materials are currently imported? I mean, via Strait of Hormuz.
- Bijoy Biswal:** See, we get almost entire thing of ammonia imported earlier from Strait of Hormuz. Now, it has been shifted to East Coast. So, we are getting mostly now from the Southeast Asian countries, this ammonia. As well as Sulfur is concerned, yes, it was through Strait of Hormuz. Now, that is also impacted.

- Rajeev Nambiar:** If you see large extent actually diversification happen in ammonia. Sulfur remains a critical resource for us actually to bother us. But I am sure actually, the kind of tie up all industry as well as government is supporting us to make, we will see at least better days to coming.
- Harshdeep Singh:** So, just to kind of update you, we are also earnestly sourcing of Sulfur that we are doing within the country. So, that partially supplements and like for the finished fertilizers, there is a consortium, which is working also on Sulfur and ammonia, securing Sulfur and ammonia in a transparent way. So, that also has been kind of, we have already declared that as industry and we are hopeful of securing that. Rather, one of the vessels that we secured for Sulfur came via Strait of Hormuz.
- Ankit:** Sir, considering the commissioning of the Sulfuric plant, so, I mean, how much margin expansion are we looking at? I mean, after getting the war situation getting sabotaged?
- Bijoy Biswal:** No, the delta between the imported Sulfur and, you know, inputs of Sulfuric acid and indigenous Sulfuric acid is around INR 3,000. But it depends on that what source, in what price you are sourcing this Sulfur. So, at this current level, it will be reduced, and it will be at around 1,500-2,000 level of delta.
- Moderator:** Next question is from the land of Riju from Antique Stock Broking. Please go ahead.
- Riju:** Sir, as you earlier said that in our Goa plant, urea plant was taken under maintenance shutdown due to energy efficiency. So, how much was the volume impacted or if you could indicate the production volume for this quarter for the Goa urea plant?
- Rajeev Nambiar:** Overall, if you look at it the whole year, actually, we will be completing RAC, okay, because anyway, around 30-35 days are always kept on shutdowns of annual shutdowns. So, that we are consumed, actually. So, we don't see any decrease in volume on a yearly basis.
- Bijoy Biswal:** This year, we have done 4 lakh tons. And now with the policy, suppose, the new change in the policy come, we can do up to 4.5 lakh tons at Goa.
- Riju:** So, going forward, we can do 4.5 lakh tons kind of volume, right?
- Harshdeep Singh:** Yes.
- Riju:** Understood. And, sir, for the MCFL, you said that our production volume for the urea was somewhere around 4 lakh tons for the MCFL. Is that correct understanding?
- Rajeev Nambiar:** Yes.
- Bijoy Biswal:** Yes.
- Riju:** So, with that number, was there any dip in the urea production volume in the MCFL for 4Q?

- Rajeev Nambiar:** The MCFL will continue to run. We have taken the shutdown in the last October-November. But if there is a supportive policy, we can still produce more than that, more than 4 lakhs.
- Riju:** So, like, for the H2, if you could indicate the production volume of urea at MCFL plant, that will be helpful.
- Rajeev Nambiar:** H2, if you look at it, our overall RAC is around 4 lakhs. With the supportive policy, we can go up to 4.4 to 4.5.
- Alok Saxena :** We will share that specific number.
- Rajeev Nambiar:** We took a month shutdown last year for annual maintenance.
- Riju:** No, sir. My question was that, like, in 3Q and 4Q, how much was the production volume for MCFL urea plant?
- Alok Saxena :** Riju, we will get back to you separately on that. I think we do not give a that data here. We will get back to you separately.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question. I now hand the conference over to the management for closing comments.
- Rajeev Nambiar:** Thank you. And on behalf of the management team, PPL, we thank you for taking time to join Earnings Call and a lot of interesting questions from you. Should you have any further questions, please reach out to our investor relation team. And thank you once again and have a good morning and afternoon. Thank you.
- Moderator:** Thank you. On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.