Gujarat Narmada Valley
Fertilizers & Chemicals Limited
CIN : L24110GJ1976PLC002903
An ISO 9001, ISO 14001, ISO 45001 & ISO 50001 Certified Company
P.O Narmadanagar - 392015, Dist. Bharuch, Gujarat, India
Ph. (02642) 247001, 247002 **Website:** www.gnfc.in

No. GNFC/Transcript/LODR
August 12, 2026

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BSE Limited
Corporate Relationship Dept.,
1st Floor, New Trading Ring,
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Scrip Code: "500670"

Dy. General Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
C-1, Block - "G",
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051
Symbol: "GNFC"

Sub.: Transcript of Investors / Analysts meet through Conference Call.

Dear Sir / Madam,

We have vide our letter dated July 30, 2026 intimated the Stock Exchanges about the schedule of Investors / Analysts Meet through Conference Call scheduled on Thursday, August 06, 2026 at 04:00 PM (IST).

We send herewith a copy of Transcript of Investors / Analysts meet through Conference Call which took place on Thursday, August 06, 2026 at 04:00 PM. The said transcript along with the audio is also uploaded on the Company's website i.e. www.gnfc.in

We request you to kindly take note of the above.

Thanking you.

Yours faithfully,
For Gujarat Narmada Valley Fertilizers & Chemicals Limited

RAJESH PILLAI
Digitally signed by RAJESH PILLAI
Date: 2026.08.12 15:09:40 +05'30'

Rajesh Pillai
Company Secretary & Compliance Officer

Encl.: As above

"Gujarat Narmada Valley Fertilizers & Chemicals Limited

Q1 FY27 Earnings Conference Call"

August 06, 2026

MANAGEMENT: **MR. D. V. PARIKH – EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER – GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED**

MR. NITIN PATEL – EXECUTIVE DIRECTOR – GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

MR. P.K. PUROHIT – EXECUTIVE DIRECTOR – GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

MR. RAJESH PILLAI – COMPANY SECRETARY AND COMPLIANCE OFFICER – GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

MR. N. B. DESAI – HEAD, MATERIAL MANAGEMENT – GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

MR. TEJASH SHAH – GENERAL MANAGER, MARKETING (IP) – GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Gujarat Narmada Valley Fertilizers & Chemicals Limited Q1 FY27 Earnings Conference Call, hosted by Anurag Services LLP on behalf of GNFC Limited.

From the management, we have with us Mr. D.V. Parikh, Executive Director and Chief Financial Officer; Mr. Nitin Patel, Executive Director; Mr. P.K. Purohit, Executive Director; Mr. Rajesh Pillai, Company Secretary and Compliance Officer; and other senior management members.

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

I would now like to hand the conference over to Mr. D.V. Parikh, Executive Director and CFO, GNFC Limited. Thank you, and over to you, sir.

D.V. Parikh: Thank you to moderator as well as the organizer for holding this call on Q1 FY26-'27. Apart from the names which are given, we have other members also from procurement and marketing. So investors may direct the query accordingly. Maybe number of participants. And we welcome all the investors to the call as well.

We'll first start with the business update as to what is happening to the business. Overall, during the quarter 1, it has been the situation of escalation and deescalation as far as war is concerned. And that has a ripple effect on the business as well, in terms of, at times, viability issues, at times, realizations, which have gone up. Similarly, the input costs have also gone up because of the war situation.

During this quarter gone by, there are plants which we could not run for cost economics reason, like acetic acid, ethyl acetate and to some extent, TDI as well. Although in the investor presentation, the spreads seem to be better, but the offtake has not been so good, which resulted into some issue in the inventory. But overall, the profits for Q1 in our view has been significantly higher, and it is the second highest in the history of the company after the Q1 of '22. This typically happens in a war-like situation, it can go either side.

On the fertilizer front, there is one good news that energy norms have been revised in case of company. It was 6.20 Gcal per metric ton of urea, which is revised to 6.37 Gcal now. This has been revised for a period from FY25-26, and valid for 3 years period. So this is positive. The other positive for the company is now during July, most of the plants, which were not operational because of the cost economics reason have resumed the operation. Whether it is ethyl acetate, acetic acid, TDI-II is about to start, TDI-I has started. So except for the methanol, most of the plants are running now.

Coming to the projects, the -- out of the 4 ongoing projects, the overdue project of Dahej has started producing now. Out of the steam and power, the steam portion has started coming, which is giving substantial relief in terms of the better cost position to TDI-II plant. This is expected to save materially because the gas prices are significantly higher, although relatively coal prices are also higher, but then the delta is more, which is causing this differential saving. So the costly gas will be replaced with the coal. Is actually already replaced as far as steam is concerned.

And power, we are expecting to come in a month's time or so or around 45 days' time. So apart from that, most of the projects are on stream. There is a slight time change in case of a weak nitric acid plant, but that is being monitored actively. So about 3 months delay is there, which is going to be recouped. In case of AMUGL and AN Melt, it is absolutely online. AN Melt is on positive side. So this is what is the update on the project side.

Coming to now the other part, which is already there as part of announcement, GNFC has proposed the Memorandum of Understanding with GMDC. This is for the underground coal gasification. GMDC is already into the mining business, and we are already in the downstream business. So this will augur well. There are certain studies which are ongoing. So very sooner, there will be announcement. The similar announcement has gone in the public domain from GMDC as well.

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As far as segment results are concerned, the results in case of fertilizer has further iterated by around INR60 crores or so from around INR24 crores to INR85 crores. And the majority of that is coming from urea, around INR48 crores, and INR12 crores is coming from the ANP side. The rest of the predominant profit is coming from chemical for which we discussed the reason.

Now with this initial comments, I leave the floor open for question and answer. Thank you very much.

Moderator: First question from the line of Nirav form Anvil Wealth.

Nirav: Congratulations on a very good set of numbers. Sir, 2, 3 questions from my side. So first on the oil prices, like when we see the investor presentation, the prices have gone up from close to around INR43, INR44 to around INR73. And I believe that predominantly, this is a raw material for our ammonia production. So how has been the situation currently? Like have the prices further gone up from this average prices of Q1? And also, if you can help us understand on the gas side also, how has been the current situation in terms of gas availability as well as the gas prices?

Moderator: Sorry to interrupt you, sir. May you please speak a little louder and repeat your question?

Nirav: Yes. Am I audible now?

Nitin Patel: No, we have got the question. I don't think -- there was some disturbance, but we got the question. So we'll request our MM Head, Shri N. B. Desai to respond on this.

N. B. Desai: Yes. You have indicated that during this Q1, the oil prices have gone up as compared to Q4 of last financial year. Mainly it is due to the Middle East crisis. And slowly and slowly in the month of July and August, it has started coming down. Only point is that still the Middle East crisis has not resolved. So going forward, the prices may come down if everything goes well.

Otherwise, it is difficult to predict anything. Similarly, on front of the gas, the prices remains volatile and availability of the volume is always a concern, but our operations are not affected with -- on account of availability of the gas.

Nirav: Sir, second question is on -- if you can share the production numbers for ammonia, both through the oil and gas route in first quarter. And along with it, if you can share the production numbers for WNA, ENA, TDI, TGU and AN Melt that would be very useful.

Nitin Patel: I'm Nitin Patel. Ammonia production was approximately 173,000 and 54% out of that was from oil and 49% was from gas. So TDI total production was 12,800 a breakup of 66% from Dahej unit and 34% from Bharuch unit. Next was WNA, right?

Nirav: Yes.

Nitin Patel: WNA total is 113,000 production with a share of 2 plant, 70% and 30%. Next was?

Nirav: CNA.

Nitin Patel: CNA total production was 37,500.

Nirav: Okay. AN Melt?

Nitin Patel: AN Melt was 55,600.

Nirav: Okay. TGU and -- so for the TGU, how was the production? And last was formic acid, sir?

Nitin Patel: TGU was 74,800 and formic acid was 8,200.

Moderator: We have our next question from the line of Aatur from ICICI Prudential Life Insurance.

Aatur: Just wanted to check, we've been reading about rotational maintenance shutdown by Covestro, Wanhua, etcetera. So if you can just help, is that helping in terms of pricing or those are very temporary in nature and you don't see that sustaining beyond.

Nitin Patel: Mr. Tejash, are you online?

Tejash Shah: Yes, Nitin bhai.

Nitin Patel: Yes. Please go ahead and reply.

Tejash Shah: As far as the Covestro and Wanhua shutdown is concerned, they are basically making TDI, right? But there are so many other players are there. Overall globally TDI production is quite high against the demand. So 1 month shutdown of Covestro and Wanhua will not affect the overall pricing of the TDI. Yes, there is a shortage in the Indian market of TDI that will definitely affect the pricing.

Moderator: Next question is from the line Falguni Dutta of from Mansarovar Financials.

Falguni Dutta: Sir, I wanted to know the inventory that we are liquidating now. So the margins that we are making there are less than what you made in Q1?

D.V. Parikh: I am Dilip Parikh, I'll answer your question. The inventory, which was built up to 30 of June is liquidated to extent of around 15% by the end of July. There is a mixed bag as far as realization is concerned, okay? Initially, the realizations were lower. Off late, the prices have gone up. So realizations have gone up. So it's a mixed bag. There is no specific realization number for it because it is a mixed one.

Falguni Dutta: Okay. And sir, lately in last quarter, you had given a rough guidance about directionally how the Q1 would be versus Q4. Can you give me a similar guidance for the chemical sector, how would the Q2 be versus Q1 directionally?

D.V. Parikh: We do not recall, gentlemen, having given any guidance of such nature.

Falguni Dutta: Like you had generally mentioned that the realization in Q1 are somewhat lower than in Q4. This is what you had said. So similarly, can you give a realization guidance, let's say, for Q2 versus Q1?

Rajesh Pillai: This is Rajesh here, the Company Secretary. I think we have never given any guidance as such, and I believe we should also avoid getting into the aspect of guidance, as it may lead to a certain degree of misinterpretation. It would therefore be preferable to avoid referring to guidance in this context

Falguni Dutta: So let me put it this way, like current realization, how are they versus the Q1 average for the chemical part, broadly?

Rajesh Pillai: The current results are not yet...

Falguni Dutta: No, not current results, sir. Current realization.

D.V. Parikh: Our marketing head will respond on this.

Tejash Shah: Ma'am, we are talking about the Q1, so it is difficult to predict about the Q2 because the market is very volatile at present.

Moderator: Next question is from the line of Jigar Shah from Financial Research.

Jigar Shah: I have 2 questions. One is, sir, what is the savings that is anticipated on the coal-based steam and power plant start at Dahej? That is one. And secondly, sir, any update on A.T. Kearney that we have signed with them for this advisory in terms of savings, management consultant. These 2 are my questions.

D.V. Parikh: Okay. I'm Dilip Parikh. I'll answer your first question. For the next, there are certain initiatives from operations. So I'll request my colleague to answer that. The first question is on the likely saving of the steam and power project. See, this saving is actually fluctuating in nature depending upon the delta between gas and coal. But currently, we are likely to save around INR30,000 to INR40,000 per metric ton of TDI because of the current prices of gas and coal. This -- the dynamic will keep changing depending upon the price dynamics of these 2 variables.

Jigar Shah: So it's difficult to estimate, sir?

D.V. Parikh: No. See, as far as current position is concerned, we conveyed the current position. It could be higher, it could be somewhat lower depending upon the element-wise change in the prices of gas and coal, okay? And in current times, it is very difficult to gauge any movement, whether it's coal or gas. They are at an elevated level, but how more elevated it can become is anybody's guess or it will taper down with some resolution coming. So it's not so clear as far as future is concerned.

Jigar Shah: So coal prices go down, it will be more beneficial to us.

D.V. Parikh: Of course. It's a coal-based plant.

Jigar Shah: The second question.

Nitin Patel: Looking to second question, I'm Nitin Patel, Executive Director. Kearney is handholding us for various initiatives in various verticals for margin improvement and cost saving. Some of the initiatives which are completed, I will just outline. One was about fuel oil, our main raw material negotiation with the supplier for structural reduction in pricing. Second was coal grade change, mix optimization for reducing the input cost. Third one was major overhauling of boilers. We have 3 BHEL-make boiler. One of the boiler was overhauled in Q1, and that has resulted into efficiency improvement and that is a direct cost saving.

We are also into RE short-term power purchase agreement for Bharuch and Dahej. Then we are also exploring alternate supply of fuel oil from another suppliers. Then as a part of project execution, coal conveyor was to be replaced. And while doing that, natural gas was to be used as an alternate fuel. But with in-house innovation by project team of GNFC and contractor and operation team, we could complete that job without using NG and continue to use coal, thereby there is a saving in the gas costlier fuel usage.

Then load optimization of our power mix. We have steam turbine, we have gas turbine. We have grid connectivity through state electricity company. So power mix was optimized in order to keep the weighted average cost lowest possible. Then there was a focus on inventory management of Indian and different other grades of the coal and inventory control is defined and being executed.

And there was a focus on inventory management of spare parts. There are a couple of more initiatives which are going on like purchase of methanol, import methanol, importing acetic acid, then we are also trying to make more focus on export, then auction-based price discovery is also being explored.

And in Dahej also, we have taken several improvements for reliability and consistent operations, better O&M practices and CCPP commissioning, which my colleague, Mr. Parikh has already outlined.

Jigar Shah: So can you quantify, in terms of how much could be the savings that you...

Nitin Patel: See, quantification we have not yet signed off with the Kearney. It is under different stage of evaluation. And maybe by next quarter end, we may have a better picture flowing into P&L.

Jigar Shah: I think they'd initially estimated a planning of about INR250 crores, INR300 crores savings. No, sir?

Nitin Patel: That's right. That's right.

Jigar Shah: So Q2, you'll get a better idea in terms of savings.

Nitin Patel: Yes.

Jigar Shah: And the last question, sir, I mean, what is the cash on hand in the books?

D.V. Parikh: Around INR4,000 crores.

Jigar Shah: That would all be with, I think that financial institution that you must have kept, right?

D.V. Parikh: It's a mix, yes. It's a mix across 3 things: G-Sec, GSFS and bank.

Jigar Shah: And sir, what was the capex in this Q1?

D.V. Parikh: Capex incurred was INR300 crores in CWIP.

Jigar Shah: And what is the targeted for the full year?

D.V. Parikh: Targeted for the full year is another INR1,200 crores to INR1,500 crores.

Jigar Shah: So totally INR1,800 crores -- INR1,500 crores to INR1,800 crores for the full year?

D.V. Parikh: Yes. This will all majority form part of the capital work in progress because the -- except for the CCPP, which is INR613 crores worth of project. The rest are going to be commercially operational sometime in the mid of 2027. So there will be capex, but capitalization will happen only partially this year.

Moderator: We have our next question from the line of Nirav Gandhi from Sunidhi Securities.

Nirav Gandhi: Sir, my question is, which capital expenditure projects would be coming on stream in FY28 and FY29 and FY30 as well?

D.V. Parikh: Gentlemen, we have already given investor presentation, and that contains time line for all the projects under execution and also for under consideration.

Nirav Gandhi: Right, sir. And sir, what was the capacity utilization overall and of the individual products?

Nitin Patel: It is very exhaustive list because we have many products. Some of the production figures I have spoken. I will say that except ANP, acetic and Ethyl and TDI which were shut during part of the quarter. Rest all the plants have operated beyond the rated capacity, whether it is ammonia, urea, both with nitric acid. And CNA is dependent on market sale as well as internal consumptions. Internal consumptions in TDI was low. So CNA capacity utilization was less than the design capacity. Aniline and nitrobenzene were above the design capacity.

Nirav Gandhi: Right, sir. And sir, if you can share the capital expenditure amounts for FY28 and '29.

D.V. Parikh: Okay. The total projects on hand are of INR2,800 crores, okay? And over the next 2 years, around another INR1,500 crores will also be spent. This is aside from what we undertake freshly which is under consideration.

Moderator: We have next question from the line of Nirav Jimudia from Anvil Wealth.

Nirav Jimudia: You touched upon that acetic acid, ethyl acetate and TDI had lower production this quarter. So has the situation improved currently in terms of, let's say, either the availability of methanol for acetic acid or let's say, acetic acid availability in terms of imports for ethyl acetate production? And also, if you can share your thoughts on the TDI part. Last year, we produced close to around 57,000 tonnes, if I'm not wrong. So how do we see for the balance part of the year in terms of TDI? And if you can share on ethyl acetate and acetic acid, that would be helpful.

Nitin Patel: So far as ethyl acetate is concerned the plant was down in last quarter. And now the plant is fully operational since 1st of August. It was not operational on in July. Acetic acid was down from 6th of May and now it is operational from 1st of August. And TDI Bharuch plant was down in July. So all these 3 plants, we lost some production because of the downtime and viability issue. Now we are back to normal at our normal rated capacity and we expect plant to run smoothly till the end of financial year, except any global political war situation going up again and creating the viability issues.

So far as methanol sourcing is concerned, currently, we have started sourcing for our captive use for acetic acid production. We manage the customer base with import of acetic acid. Currently, we are not importing because captively we have started producing. And we have run ethyl acetate till the threshold of viability on import acetic acid for some period in quarter 1.

Nirav Jimudia: Perfect. Sir, second question is on the TGU. I think last year, if I recollect, we produced close to around 210,000 tonnes. And if I see the run rate this quarter, I think we are close to around 300,000 tonnes on an annual run rate basis. So what has changed? Because I think you have also explained that there is a government regulation in terms of how much we can produce. So if you can share your thoughts here? And also, is it a right understanding that a major portion of our profitability in this quarter was driven by the TGU sales?

Nitin Patel: I'll first touch upon production part. Production of TGU and NCU. First rule of the game is we are supposed to produce 637,000 minimum of neem coated urea for Department of Fertilizer and fulfill our production target. Rest is TGU which has a variable portion during the entire period of operation for product mix optimization.

D.V. Parikh: On your question of profitability from TGU, yes, it is one of the significant contributor as well.

Nirav Jimudia: Correct. Correct. So can we presume, sir, that this run rate of TGU production, what we have seen this quarter can be extrapolated to the rest of the quarter?

Nitin Patel: See, basically it is our expectation of the TGU production to more less at the same level as that of last FY.

Nirav Jimudia: Okay. Okay. And sir, last clarification from my side. On the WNA and CNA you shared the production numbers. If you can also share the sales numbers, that would be very helpful, sir.

Nitin Patel: In WNA, we sold around 20,800. And in case of CNA, the figure was 16,400.

Moderator: Next question is from the line of Maanvardhan Baid from Sammaan India PMS.

Maanvardhan Baid: So sir, I wanted to understand this INR2,800 crores of capex that we are doing, I assume this is for the 5 items that you have under execution presently. I wanted to understand what will be the incremental turnover out of -- once this is complete?

D.V. Parikh: Can we answer this question as we go closer to the project completion because there is too much of a price differential and volatility as of now. So attaching a number would not be right that it will increase the revenue by so much and profit by so much.

Maanvardhan Baid: Understood in that way, but -- okay. But a ballpark figure, I mean, considering where prices are maybe now or maybe where prices were some time back, maybe a range, if you could give us?

D.V. Parikh: Okay. Range for the current part of prognosis is difficult to give. But by and large, we foresee the revenue to increase by INR1,200 crores to INR1,500 crores and contribution to improve by around INR500 crores to INR600 crores.

Moderator: We have our next question from the line of Ashok, an Individual Investor.

Ashok: Sir, I want to know about GNFC encode, which is our 20-year-old company. Sir, what is our future guidelines for it? And sir, one more thing, we do not mention it in the investor presentation ever.

D.V. Parikh: The size is around INR100 crores as of now, okay? And management is working on the plan for increasing the presence in the digitization, AI, etcetera. But then it is yet in a very formative stage. If you see the -- there are 3 segments. The other segment already represents (n)Code both in terms of turnover and in terms of segment result. As far as the retail plants are concerned, by end of this year, whatever is the finalized situation, we will get back to you with those plans.

Ashok: Okay. And sir, you had a partnership with Electromech?

D.V. Parikh: We do not recall any such name specifically. From where do you get this name?

Ashok: LinkedIn, sir. In LinkedIn and Electromech that is mentioned?

D.V. Parikh: It's hard to comment on this question.

Management: Ashok ji, this wouldn't be appropriate because GNFC officials don't care what someone else's profile says on LinkedIn.

Moderator: Ladies and gentlemen, that would be the last question of the day. And I now hand the conference over to Mr. D.V Parikh, Executive Director and CFO, GNFC Limited, for closing comments. Over to you, sir.

Rajesh Pillai: This is Rajesh here. I would like to thank all the participants as well as the senior executives of the company for joining this call. And I would also like to express my gratitude to Mr. Manav, the moderator as well as Anurag Services for conducting this conference call. Thank you. We close this call as of now. Thank you. Thank you very much.

Moderator: Thank you, sir. On behalf of GNFC Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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August 06, 2026

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Now with this initial comments, I leave the floor open for question and answer. Thank you very much.

Moderator: First question from the line of Nirav form Anvil Wealth.

Nirav: Congratulations on a very good set of numbers. Sir, 2, 3 questions from my side. So first on the oil prices, like when we see the investor presentation, the prices have gone up from close to around INR43, INR44 to around INR73. And I believe that predominantly, this is a raw material for our ammonia production. So how has been the situation currently? Like have the prices further gone up from this average prices of Q1? And also, if you can help us understand on the gas side also, how has been the current situation in terms of gas availability as well as the gas prices?

Moderator: Sorry to interrupt you, sir. May you please speak a little louder and repeat your question?

Nirav: Yes. Am I audible now?

Nitin Patel: No, we have got the question. I don't think -- there was some disturbance, but we got the question. So we'll request our MM Head, Shri N. B. Desai to respond on this.

N. B. Desai: Yes. You have indicated that during this Q1, the oil prices have gone up as compared to Q4 of last financial year. Mainly it is due to the Middle East crisis. And slowly and slowly in the month of July and August, it has started coming down. Only point is that still the Middle East crisis has not resolved. So going forward, the prices may come down if everything goes well.

Otherwise, it is difficult to predict anything. Similarly, on front of the gas, the prices remains volatile and availability of the volume is always a concern, but our operations are not affected with -- on account of availability of the gas.

Nirav: Sir, second question is on -- if you can share the production numbers for ammonia, both through the oil and gas route in first quarter. And along with it, if you can share the production numbers for WNA, ENA, TDI, TGU and AN Melt that would be very useful.

Nitin Patel: I'm Nitin Patel. Ammonia production was approximately 173,000 and 54% out of that was from oil and 49% was from gas. So TDI total production was 12,800 a breakup of 66% from Dahej unit and 34% from Bharuch unit. Next was WNA, right?

Nirav: Yes.

Nitin Patel: WNA total is 113,000 production with a share of 2 plant, 70% and 30%. Next was?

Nirav: CNA.

Nitin Patel: CNA total production was 37,500.

Nirav: Okay. AN Melt?

Nitin Patel: AN Melt was 55,600.

Nirav: Okay. TGU and -- so for the TGU, how was the production? And last was formic acid, sir?

Nitin Patel: TGU was 74,800 and formic acid was 8,200.

Moderator: We have our next question from the line of Aatur from ICICI Prudential Life Insurance.

Aatur: Just wanted to check, we've been reading about rotational maintenance shutdown by Covestro, Wanhua, etcetera. So if you can just help, is that helping in terms of pricing or those are very temporary in nature and you don't see that sustaining beyond.

Nitin Patel: Mr. Tejash, are you online?

Tejash Shah: Yes, Nitin bhai.

Nitin Patel: Yes. Please go ahead and reply.

Tejash Shah: As far as the Covestro and Wanhua shutdown is concerned, they are basically making TDI, right? But there are so many other players are there. Overall globally TDI production is quite high against the demand. So 1 month shutdown of Covestro and Wanhua will not affect the overall pricing of the TDI. Yes, there is a shortage in the Indian market of TDI that will definitely affect the pricing.

Moderator: Next question is from the line Falguni Dutta of from Mansarovar Financials.

Falguni Dutta: Sir, I wanted to know the inventory that we are liquidating now. So the margins that we are making there are less than what you made in Q1?

D.V. Parikh: I am Dilip Parikh, I'll answer your question. The inventory, which was built up to 30 of June is liquidated to extent of around 15% by the end of July. There is a mixed bag as far as realization is concerned, okay? Initially, the realizations were lower. Off late, the prices have gone up. So realizations have gone up. So it's a mixed bag. There is no specific realization number for it because it is a mixed one.

Falguni Dutta: Okay. And sir, lately in last quarter, you had given a rough guidance about directionally how the Q1 would be versus Q4. Can you give me a similar guidance for the chemical sector, how would the Q2 be versus Q1 directionally?

D.V. Parikh: We do not recall, gentlemen, having given any guidance of such nature.

Falguni Dutta: Like you had generally mentioned that the realization in Q1 are somewhat lower than in Q4. This is what you had said. So similarly, can you give a realization guidance, let's say, for Q2 versus Q1?

Rajesh Pillai: This is Rajesh here, the Company Secretary. I think we have never given any guidance as such, and I believe we should also avoid getting into the aspect of guidance, as it may lead to a certain degree of misinterpretation. It would therefore be preferable to avoid referring to guidance in this context

Falguni Dutta: So let me put it this way, like current realization, how are they versus the Q1 average for the chemical part, broadly?

Rajesh Pillai: The current results are not yet...

Falguni Dutta: No, not current results, sir. Current realization.

D.V. Parikh: Our marketing head will respond on this.

Tejash Shah: Ma'am, we are talking about the Q1, so it is difficult to predict about the Q2 because the market is very volatile at present.

Moderator: Next question is from the line of Jigar Shah from Financial Research.

Jigar Shah: I have 2 questions. One is, sir, what is the savings that is anticipated on the coal-based steam and power plant start at Dahej? That is one. And secondly, sir, any update on A.T. Kearney that we have signed with them for this advisory in terms of savings, management consultant. These 2 are my questions.

D.V. Parikh: Okay. I'm Dilip Parikh. I'll answer your first question. For the next, there are certain initiatives from operations. So I'll request my colleague to answer that. The first question is on the likely saving of the steam and power project. See, this saving is actually fluctuating in nature depending upon the delta between gas and coal. But currently, we are likely to save around INR30,000 to INR40,000 per metric ton of TDI because of the current prices of gas and coal. This -- the dynamic will keep changing depending upon the price dynamics of these 2 variables.

Jigar Shah: So it's difficult to estimate, sir?

D.V. Parikh: No. See, as far as current position is concerned, we conveyed the current position. It could be higher, it could be somewhat lower depending upon the element-wise change in the prices of gas and coal, okay? And in current times, it is very difficult to gauge any movement, whether it's coal or gas. They are at an elevated level, but how more elevated it can become is anybody's guess or it will taper down with some resolution coming. So it's not so clear as far as future is concerned.

Jigar Shah: So coal prices go down, it will be more beneficial to us.

D.V. Parikh: Of course. It's a coal-based plant.

Jigar Shah: The second question.

Nitin Patel: Looking to second question, I'm Nitin Patel, Executive Director. Kearney is handholding us for various initiatives in various verticals for margin improvement and cost saving. Some of the initiatives which are completed, I will just outline. One was about fuel oil, our main raw material negotiation with the supplier for structural reduction in pricing. Second was coal grade change, mix optimization for reducing the input cost. Third one was major overhauling of boilers. We have 3 BHEL-make boiler. One of the boiler was overhauled in Q1, and that has resulted into efficiency improvement and that is a direct cost saving.

We are also into RE short-term power purchase agreement for Bharuch and Dahej. Then we are also exploring alternate supply of fuel oil from another suppliers. Then as a part of project execution, coal conveyor was to be replaced. And while doing that, natural gas was to be used as an alternate fuel. But with in-house innovation by project team of GNFC and contractor and operation team, we could complete that job without using NG and continue to use coal, thereby there is a saving in the gas costlier fuel usage.

Then load optimization of our power mix. We have steam turbine, we have gas turbine. We have grid connectivity through state electricity company. So power mix was optimized in order to keep the weighted average cost lowest possible. Then there was a focus on inventory management of Indian and different other grades of the coal and inventory control is defined and being executed.

And there was a focus on inventory management of spare parts. There are a couple of more initiatives which are going on like purchase of methanol, import methanol, importing acetic acid, then we are also trying to make more focus on export, then auction-based price discovery is also being explored.

And in Dahej also, we have taken several improvements for reliability and consistent operations, better O&M practices and CCPP commissioning, which my colleague, Mr. Parikh has already outlined.

Jigar Shah: So can you quantify, in terms of how much could be the savings that you...

Nitin Patel: See, quantification we have not yet signed off with the Kearney. It is under different stage of evaluation. And maybe by next quarter end, we may have a better picture flowing into P&L.

Jigar Shah: I think they'd initially estimated a planning of about INR250 crores, INR300 crores savings. No, sir?

Nitin Patel: That's right. That's right.

Jigar Shah: So Q2, you'll get a better idea in terms of savings.

Nitin Patel: Yes.

Jigar Shah: And the last question, sir, I mean, what is the cash on hand in the books?

D.V. Parikh: Around INR4,000 crores.

Jigar Shah: That would all be with, I think that financial institution that you must have kept, right?

D.V. Parikh: It's a mix, yes. It's a mix across 3 things: G-Sec, GSFS and bank.

Jigar Shah: And sir, what was the capex in this Q1?

D.V. Parikh: Capex incurred was INR300 crores in CWIP.

Jigar Shah: And what is the targeted for the full year?

D.V. Parikh: Targeted for the full year is another INR1,200 crores to INR1,500 crores.

Jigar Shah: So totally INR1,800 crores -- INR1,500 crores to INR1,800 crores for the full year?

D.V. Parikh: Yes. This will all majority form part of the capital work in progress because the -- except for the CCPP, which is INR613 crores worth of project. The rest are going to be commercially operational sometime in the mid of 2027. So there will be capex, but capitalization will happen only partially this year.

Moderator: We have our next question from the line of Nirav Gandhi from Sunidhi Securities.

Nirav Gandhi: Sir, my question is, which capital expenditure projects would be coming on stream in FY28 and FY29 and FY30 as well?

D.V. Parikh: Gentlemen, we have already given investor presentation, and that contains time line for all the projects under execution and also for under consideration.

Nirav Gandhi: Right, sir. And sir, what was the capacity utilization overall and of the individual products?

Nitin Patel: It is very exhaustive list because we have many products. Some of the production figures I have spoken. I will say that except ANP, acetic and Ethyl and TDI which were shut during part of the quarter. Rest all the plants have operated beyond the rated capacity, whether it is ammonia, urea, both with nitric acid. And CNA is dependent on market sale as well as internal consumptions. Internal consumptions in TDI was low. So CNA capacity utilization was less than the design capacity. Aniline and nitrobenzene were above the design capacity.

Nirav Gandhi: Right, sir. And sir, if you can share the capital expenditure amounts for FY28 and '29.

D.V. Parikh: Okay. The total projects on hand are of INR2,800 crores, okay? And over the next 2 years, around another INR1,500 crores will also be spent. This is aside from what we undertake freshly which is under consideration.

Moderator: We have next question from the line of Nirav Jimudia from Anvil Wealth.

Nirav Jimudia: You touched upon that acetic acid, ethyl acetate and TDI had lower production this quarter. So has the situation improved currently in terms of, let's say, either the availability of methanol for acetic acid or let's say, acetic acid availability in terms of imports for ethyl acetate production? And also, if you can share your thoughts on the TDI part. Last year, we produced close to around 57,000 tonnes, if I'm not wrong. So how do we see for the balance part of the year in terms of TDI? And if you can share on ethyl acetate and acetic acid, that would be helpful.

Nitin Patel: So far as ethyl acetate is concerned the plant was down in last quarter. And now the plant is fully operational since 1st of August. It was not operational on in July. Acetic acid was down from 6th of May and now it is operational from 1st of August. And TDI Bharuch plant was down in July. So all these 3 plants, we lost some production because of the downtime and viability issue. Now we are back to normal at our normal rated capacity and we expect plant to run smoothly till the end of financial year, except any global political war situation going up again and creating the viability issues.

So far as methanol sourcing is concerned, currently, we have started sourcing for our captive use for acetic acid production. We manage the customer base with import of acetic acid. Currently, we are not importing because captively we have started producing. And we have run ethyl acetate till the threshold of viability on import acetic acid for some period in quarter 1.

Nirav Jimudia: Perfect. Sir, second question is on the TGU. I think last year, if I recollect, we produced close to around 210,000 tonnes. And if I see the run rate this quarter, I think we are close to around 300,000 tonnes on an annual run rate basis. So what has changed? Because I think you

	have also explained that there is a government regulation in terms of how much we can produce. So if you can share your thoughts here? And also, is it a right understanding that a major portion of our profitability in this quarter was driven by the TGU sales?
Nitin Patel:	I'll first touch upon production part. Production of TGU and NCU. First rule of the game is we are supposed to produce 637,000 minimum of neem coated urea for Department of Fertilizer and fulfill our production target. Rest is TGU which has a variable portion during the entire period of operation for product mix optimization.
D.V. Parikh:	On your question of profitability from TGU, yes, it is one of the significant contributor as well.
Nirav Jimudia:	Correct. Correct. So can we presume, sir, that this run rate of TGU production, what we have seen this quarter can be extrapolated to the rest of the quarter?
Nitin Patel:	See, basically it is our expectation of the TGU production to more less at the same level as that of last FY.
Nirav Jimudia:	Okay. Okay. And sir, last clarification from my side. On the WNA and CNA you shared the production numbers. If you can also share the sales numbers, that would be very helpful, sir.
Nitin Patel:	In WNA, we sold around 20,800. And in case of CNA, the figure was 16,400.
Moderator:	Next question is from the line of Maanvardhan Baid from Sammaan India PMS.
Maanvardhan Baid:	So sir, I wanted to understand this INR2,800 crores of capex that we are doing, I assume this is for the 5 items that you have under execution presently. I wanted to understand what will be the incremental turnover out of -- once this is complete?

D.V. Parikh: Can we answer this question as we go closer to the project completion because there is too much of a price differential and volatility as of now. So attaching a number would not be right that it will increase the revenue by so much and profit by so much.

Maanvardhan Baid: Understood in that way, but -- okay. But a ballpark figure, I mean, considering where prices are maybe now or maybe where prices were some time back, maybe a range, if you could give us?

D.V. Parikh: Okay. Range for the current part of prognosis is difficult to give. But by and large, we foresee the revenue to increase by INR1,200 crores to INR1,500 crores and contribution to improve by around INR500 crores to INR600 crores.

Moderator: We have our next question from the line of Ashok, an Individual Investor.

Ashok: Sir, I want to know about GNFC encode, which is our 20-year-old company. Sir, what is our future guidelines for it? And sir, one more thing, we do not mention it in the investor presentation ever.

D.V. Parikh: The size is around INR100 crores as of now, okay? And management is working on the plan for increasing the presence in the digitization, AI, etcetera. But then it is yet in a very formative stage. If you see the -- there are 3 segments. The other segment already represents (n)Code both in terms of turnover and in terms of segment result. As far as the retail plants are concerned, by end of this year, whatever is the finalized situation, we will get back to you with those plans.

Ashok: Okay. And sir, you had a partnership with Electromech?

D.V. Parikh: We do not recall any such name specifically. From where do you get this name?

Ashok: LinkedIn, sir. In LinkedIn and Electromech that is mentioned?

D.V. Parikh: It's hard to comment on this question.

Management: Ashok ji, this wouldn't be appropriate because GNFC officials don't care what someone else's profile says on LinkedIn.

Moderator: Ladies and gentlemen, that would be the last question of the day. And I now hand the conference over to Mr. D.V Parikh, Executive Director and CFO, GNFC Limited, for closing comments. Over to you, sir.

Rajesh Pillai: This is Rajesh here. I would like to thank all the participants as well as the senior executives of the company for joining this call. And I would also like to express my gratitude to Mr. Manav, the moderator as well as Anurag Services for conducting this conference call. Thank you. We close this call as of now. Thank you. Thank you very much.

Moderator: Thank you, sir. On behalf of GNFC Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.