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DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

20th November, 2026

The Secretary	Listing Department
BSE Limited	National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Towers,	Exchange Plaza,
Dalal Street, Fort,	Bandra - Kurla Complex, Bandra (E)
Mumbai – 400 001	Mumbai – 400 051
BSE Code: 500645	NSE Code: DEEPAKFERT

Subject: Management Transcript of Q2 FY 2027 Earnings Conference Call

Dear Sir / Madam,

Pursuant to the Regulation 30(6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed the Management Transcript of the Earnings Conference Call held on 16th November, 2026 to discuss the financial results of the Company for the second quarter and half year ended 30th September, 2026.

The transcript of the Q2 FY 2027 Earnings Conference Call will also be made available on the website of the Company i.e. https://www.dfpcl.com/.

We request you to take the same on your record.

Thanking you,
Yours faithfully,

For **Deepak Fertilisers**
And Petrochemicals Corporation Limited

PANKAJ GUPTA
Digitally signed by PANKAJ GUPTA
Date: 2026.11.20 12:46:44 +05'30'

Pankaj Gupta
Company Secretary & Compliance Officer
Membership No.: FCS 9219
Encl: as above

"Deepak Fertilisers and Petrochemicals Corporation Limited

Q2 & H1 FY27 Earnings Conference Call"

November 16, 2026

MANAGEMENT: **MR. S.C. MEHTA – CHAIRMAN AND MANAGING DIRECTOR**
MR. SUBHASH ANAND – PRESIDENT AND CHIEF FINANCIAL OFFICER
MR. TARUN SINHA – PRESIDENT – TECHNICAL AMMONIUM NITRATE
MR. SUPARAS JAIN – EXECUTIVE VICE PRESIDENT – CORPORATE FINANCE

MODERATOR: **MR. HARMISH DESAI – SYSTEMATIX SHARES & STOCKS INDIA LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Deepak Fertilisers and Petrochemicals Corporation Limited Q2 & H1 FY27 Earnings Conference Call hosted by Systematix Group.

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 an 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. Harmish Desai from Systematix Group. Thank you, and over to you, sir.

Harmish Desai: Thank you, Alriac. Good evening and welcome to the Q2 and H1 FY27 Earnings Call of Deepak Fertilisers and Petrochemicals Limited, hosted by Systematix Institutional Desk. From the management, we have Mr. S.C. Mehta, Chairman and Managing Director, Mr. Subhash Anand, President and Chief Financial Officer, Mr. Tarun Sinha, President Technical Ammonium Nitrate, and Mr. Suparas Jain, Executive Vice President Corporate Finance.

I would like to thank the management for giving us the opportunity to host this call. Before we begin, I would like to underline that certain statements made on today's call could be forward-looking in nature. A disclaimer to this effect has been included in the investor presentation that is available on the stock exchange website.

We will begin the call with opening remarks from Mr. Mehta, followed by Mr. Subhash Anand for update on financial performance, post which we will have a Q&A session. Thank you, and over to you, sir.

S.C. Mehta: Okay. My good friends, my very warm wishes to all of you for the Diwali that just gone by and the New Year. Thank you very much for joining us today. Our earnings presentation and the press releases are available on the stock exchanges and on our website, and I trust you have had the opportunity to review them.

I am very happy to share that despite all the geopolitical and supply uncertainties which continued, Deepak Fertilisers have delivered our best ever EBITDA and PAT performances in Q2. As you would have seen, while revenue grew by 11%, PAT has jumped by 84%, on a YoY basis. Even if we take the Q2 quarters of the last five years, we have delivered the highest EBITDA margins.

What is more is in H1 itself, we are almost touching last full year's profits in view of the 93% jump in PAT of H1 itself. This performance once again strongly validates three fundamental strategies at play.

First is our integrated value chain, spanning now from the 15-year LNG contract, which feeds into our world-scale ammonia plant, and which feeds into the building block chemical, which is nitric acid, and which feeds into the downstream finished products which reach the final

customers, whether it is Technical Ammonium Nitrate or various acids or, of course, the fertiliser business.

This integration of this trend that is emerging out of the integrated value chain, as you would have seen and as we are seeing now validated quarter after quarter, that it is both a risk mitigator as well as a margin enhancer, and it is allowing us to capture value across the chain through the market cycles.

This is one fundamental strategy at play. The second strategy that we validated quarter after quarter has been the strong alignment of our businesses with the India growth story. Whether it is mining chemicals, crop nutrition, or industrial and pharma chemicals, all the three of our businesses continue to benefit from the India growth story and the structural demand drivers linked to the basic industries of mining, infrastructure, manufacturing, and agriculture. This is the second fundamental strategy at play.

The third being our growth and our strength now coming more and more from our shift from a broad commodity orientation to now differentiated products and a holistic solution, and more and more of customer centric offerings that we are providing in all the three of our businesses. This transformation is deepening customer engagement and indeed improving the earnings quality and business resilience.

As you would have seen, all the three strategic drivers are here to stay. They are fundamental. They are not something that are going to get shaken by one quarter, year or some geopolitical aspect the other side. They are here to provide the fundamental strength. We are looking at all the three growing from strength to strength, QoQ or YoY, as we build upon some of these dimensions.

Also, even as we come to the end of our capex cycle, the peak cycle that was there, our net debt-toEBITDA stood at a comfortable 1.5x. As we see in totality, today Deepak Fertilisers is fundamentally different from the company that it was a decade back. At its core, as I had mentioned, our integrated LNG to ammonia to downstream platform delivers more than cost competitiveness.

It strengthens supply security, enhances operating flexibility, and let us capture value at multiple points in the value chain. In an increasingly volatile global environment, we deeply believe that this integration is emerging as a structural competitive advantage. Together with our expanding portfolio of differentiated solutions, it creates meaningful entry barrier and supports sustained profitability over time.

Also, in the Crop Nutrition Business, the growing contribution of specialty and Croptek solutions, which are crop-specific, reflect our transition from product-centric to solution-centric approach, focus on improving, at its core, the farm productivity, and thus leading to customer stickiness, farmer stickiness.

In mining chemicals, the rising share of technology-led holistic solutions rather than just product, and these solutions that focus on mine productivity, demonstrates our ability to create differentiated value while building deeper customer relationships. As you are aware, as a part of

our strategy, our recent acquisition of Chardham Chemicals is also a strategic step in building this downstream capability. These all developments, as you are now seeing quarter after quarter, are strategically very significant.

They improve customer stickiness, spend and margins, reduce earning volatility over time, and these are the ones that are steadily going to move us towards building a business that is less dependent on commodity cycles and increasingly driven by innovation, technology, customer solution, and building a brand that will deliver real impactYoY.

Also, over the last several years, Deepak Fertilisers has invested significantly to create future growth platforms in its area of expertise and comfort. We have stuck to those areas of capex and growth where we enjoy a four decades of rock solid experience. With the TAN project in Gopalpur and nitric acid complex at Dahej, both nearing almost 98% completion, we are now approaching the end of a major investment cycle.

All these assets, once they are commissioned and ramped up, which is going to be shortly, we expect the company to enter a phase in which operating cash flow growth will outpace the capital deployment, supporting stronger returns and genuine value creation. Just a few words on the outlook as we see.

In mining chemicals, typically the H2 is a stronger period, as mining and infrastructure activity picks up after the monsoon slowdown. So, the healthy underlying demand fundamentals should further support realization margins in the business. In industrial chemicals, while we do see some tightness in the raw material availability, but on the other side, IPA prices continue to be supported by supply tightness. We are also seeing an early decent recovery on the nitric acid pricing.

In crop nutrition, we do face a near term headwind emerging from El Niño effect, somewhere some raw material inflation, and some high industry inventory. However, the current subsidy announcement that came in just last week, once again, we confirm the government's good support to make sure that not only reasonable prices are maintained for the farmers, but reasonable returns are also available to the industry.

Now, with our sharper focus on irrigated and high potential markets, and also supported by a stronger market activation, we are positioning even the crop nutrition business for a resilient inning for the H2. So, to summarize, the significance of the Q2 FY27 lies not only in the record financial performance, but in what it signals for the future. Once again, to reaffirm, Deepak Fertilisers is emerging as a more integrated, more diversified, and most important, a less cyclical enterprise than it was a decade ago.

With major growth investments nearing completion and a rising share of earnings coming from differentiated businesses, we believe the company is entering into a clearly new transformed phase where growth, cash generations, and returns can improve together with creating long term value for our customers and for our shareholders. So, I will end by saying I indeed thank all of you for your continued trust, faith, and support.

With that, now I invite Subhash to take you through the financial performance in greater details.

Subhash Anand: Thank you, Chairman. Good afternoon, everyone. Let me take you through our performance for the quarter and some of the key business highlights, starting with the financials. We delivered a strong quarter with growth in both revenue and profitability. Consolidated revenue for quarter two stood at Rs. 3,334 crores, up 11% YoY, driven by a combination of better realization and healthy volumes across key businesses.

More importantly, profitability growth significantly outpaced revenue growth. EBITDA was Rs. 750 crores, up 62% YoY, while EBITDA margin expanded to 22.5% compared to 15.5% in the same quarter last year. This improvement was driven by a few structural factors. The first one, benefits of our long term LNG sourcing arrangement for higher in-house ammonia integration, better product mix, and stronger contribution from downstream value added products. These drivers continue to strengthen the quality and sustainability of our earnings.

As a result, profit after tax stood at Rs. 394 crores, up 84% YoY. On similar lines, the company delivered a record H1 with consolidated revenue growing 16% YoY to Rs. 6,590 crores, operating EBITDA surging 63% YoY to Rs. 1,595 crores, and PAT rising 93% to Rs. 884 crores. The key takeaway is that our integrated business model is translating into stronger profitability and operating leverage.

Let me now briefly touch upon our business segments, starting with mining chemicals. The mining chemical delivered another good quarter. While volumes saw some moderation due to monsoon related disruptions, improved realization supported healthy revenue growth.

The encouraging trend is continued growth of our B2C business. B2C contributes around 16% of the segment revenue compared to 14% a year ago. This is an important shift because it helps improve realization, strengthen customer engagement, and supports long term margin expansion.

In industrial chemicals, the operating environment remained mixed, although we saw improving trend across several product categories. Nitric acid volume grew 14% YoY, reflecting resilient demand despite a softer market environment. Pricing remained somewhat soft, impacting realization due to higher availability. In our IPA, volume was 17 KT, showing sequential improvement despite temporary RGP supply constraint. Importantly, realizations remain strong, supported by a favorable mix and higher pharma grade sales.

We are seeing growing acceptance in pharmaceutical, healthcare, and other niche applications. While still a relatively small part of portfolio, these products are strategically important as they enhance margins and create differentiated growth opportunities. Moving to crop nutrition, the quarter was challenging for the industry.

Demand during the Kharif season was affected by uneven rainfall, phos acid availability, constrained raw material inflations, and elevated channel inventory. Despite these headwinds, improved realization and subsidy support helped us to improve profitability sequentially.

Our focus on differentiated offering is continuing to pay off. Croptek and specialty fertilizers contributes about 28% of the crop nutrition's revenue during the quarter. This remains a key area

of focus as we continue to improve the quality of portfolio. Turning to balance sheet, we continue to maintain a healthy financial position while executing our growth projects.

During the first half, we incurred approximate Rs. 774 crores of capex, reflecting steady progress on our strategic investment. Net debt stood at Rs. 4,743 crores, and our net debt-to-EBITDA ratio remained comfortable at around 1.5x. This gives us adequate financial flexibility to complete our ongoing projects while maintaining balance sheet discipline.

On project execution, I'm pleased to report that both our projects are now in the final stage of completions. The Dahej nitric acid project and Gopalpur TAN projects are approximately 98% complete.

We expect Dahej and Gopalpur TAN project expected to commence operations in Q4 FY27. Importantly, both projects remain within the approved capital expenditure budget. As these projects come on stream, they will further strengthen our integration advantage, enhance competitiveness, and create meaningful operating leverage.

Let me conclude with three key messages. First, we deliver strong growth in revenue, EBITDA, and profit despite a mixed operating environment. Second, the improvement is being driven by structural factors, including our integrated ammonia to downstream value chain, long term LNG sourcing strategy, growing specialty portfolio, and expanding B2C presence.

And third, with our major growth projects nearing completion, we are approaching an important inflection point. The heavy lifting is behind us. The benefit of integrations are already visible in our earning. And with Dahej and Gopalpur nearing commissioning, we are entering a phase of accelerated monetization, operating leverage, and value creation.

With this, I will thank everybody and would now be happy to take your questions.

Moderator: Thank you. We will now begin with the question-and-answer session. The first question comes from the line of Sheel Shah from Sameeksha Capital. Please go ahead.

Sheel Shah: Hello. Yes, first of all, congratulations on a great set of results. My first question is on the cost savings that we enjoyed on the ammonia side as well as on the Equinor gas contract. If you can just quantify that. Also if you can comment on sustainability of the margins in an environment where the crude prices are coming down as well as the ammonia prices are also coming down. How do we see the sustainability on the margins?

Subhash Anand: Okay. Let me give you broader perspective now. As you would have heard our Chairman also, we are basically not in one business. Our three businesses are actually beautifully aligned and complementing each other very well when it comes to external environments. Even some time when the external environment is not conducive for one business, the other two business are doing much better in those environment and able to pull the headwinds which comes from the uncertainty.

That's making us far more resilient and consistent delivery QoQ company. That's an advantage what we are seeing with kind of a diversified portfolio and the business what we have. This is

not one-off performance or just one-off numbers what you're seeing. Lot of the structural correction which has happened over a period of time, the initiatives taken are now getting reflected in our results. Yes, I agree.

There are improvements what we are seeing from our long-term LNG contracts, but those are not short-term, those are structural and going to stay with us QoQ. Ammonia prices do come and go, but the way we have seen the business is we are able to pass on ammonia prices to the market and able to maintain the overall profitability to a larger extent with some time gap. Most of the improvement what we see is structural.

Yes, there are some one-off because of this supply chain disturbance what we are seeing, but that's not material enough which will make very different the delivery what we are doing at this point of time. I'll add one more thing. Whatever you see some one-off, even at this stage, there's a very important initiative which is going to be delivering operating benefits.

The two key projects what we have, both Gopalpur and the Dahej, will start contributing in our earnings from Q4. So definitely one need to see some impact of cooling down, but there's a significant trigger of upside also visible in the near term. So we need to keep seeing the improvement what we have it here is going to go up from here, doesn't seems to be material downside visible at this stage.

Sheel Shah: Understood. Just one follow-up on that. If you can quantify what benefits that we have.

Subhash Anand: I will not give you specific number. As I mentioned, the numbers are not significant enough which makes a material difference to our delivery.

Sheel Shah: Understood. Then any inventory gains that we have done during the probably quarter one and during the second quarter as well?

Subhash Anand: When you say inventory gain, in what way?

Sheel Shah: On the P&L side.

Subhash Anand: No, most of our materials are just in time, like from gas to ammonia to most of the finished goods. So we do not have major inventory fluctuations which makes a quarter impact.

Sheel Shah: Understood. And just one last question on inventory. I mean, it has significantly increased if I compare with the March end numbers. I meanis it largely attributed to crop protection business or there are other segments as well?

Subhash Anand: No, it is majorly, in fact, entirely it is a Crop Nutrition Business which is carrying an excess inventory, and the reason is already spoken. It is a buildup for Rabi season as well as the monsoon was soft in the Kharif season.

Sheel Shah: Understood. When do we see that inventory get liquidated?

Subhash Anand: No, we are entering into Rabi season liquidation, so this will start seeing an impact on the inventory.

Sheel Shah: Understood. Yes. Thank you, sir.

Moderator: The next question comes from the line of Parth Kotak with Plus91 Asset Management. Please go ahead.

Parth Kotak: Hi, sir. Thanks for taking my question. Sir, as you alluded in your opening remarks, we are almost at the end of the current capex cycle. So if you can help us with what kind of capex we will be doing for FY27 and maybe for the next couple of years, that will be helpful?

Subhash Anand: Okay. At this point of time, we don't have major capex projects visible, barring the CCPL which we have already announced. That's a project which is going on and will be getting completed in next few quarters. Apart from that, no major growth projects what we have with capex aligned.

So, next, our normal maintenance capex, that's what we will be seeing in at least for next year. Then we need to come back and say what will be our next phase of growth capex. When we decide, we'll announce. But currently, barring CCPL, no major growth capex except normal maintenance of business capex what we planned.

Parth Kotak: Perfect, sir. That's great. Second, also if you can provide some update on the demerger or the IPO, which we've been planning. Has there been any concrete decision in terms of what we are going to do and the timeline for the same?

Subhash Anand: We are in discussion internally at management level. Just give us some more time. We will be concluding our discussion and we will inform everybody way forward how and when we are planning to do that. We will come back to you.

Parth Kotak: All right, sir. That is all from my side. I will join back in the queue.

Moderator: The next question comes from the line of Ranjit with IIFL Capital. Please go ahead.

Ranjit: Yes. Thank you for taking my question, and congratulations on a great set of numbers. My first question is on the TAN. Here we have seen one of the domestic competitor commissioning the capacity and started to seeding the market. Just wanted to get an initial view about how the market has been receptive to the new competition and how the pricing has behaved while it has been a seasonally weak quarter.

Tarun Sinha: First of all, it's always welcome to have new producers coming in the domestic market because all the producers collectively support "Aatmanirbhar Bharat " initiative of Government of India, which is to make India selfreliant in terms of its ammonium nitrate needs. Why this becomes so important for the country is because of the energy security reason, you know?

We will still, as a country, continue to rely very heavily on fossil fuels for meeting our country's all the time increasing energy demand. Any addition to ammonium nitrate capacity to that extent is welcome. That's the first thing. The other thing is the market is growing overall in India.

The market is growing at a reasonable pace in terms of compounded average growth rate, driven by not only just coal production, but a lot of other minerals and rock being produced in the country to make India "Viksit Bharat" by 2047. That is giving a lot of tailwind to the demand

creation of explosives, which in turn leads to the demand creation for ammonium nitrate. It's all moving in the right direction.

As far as the impact, if that was your question, there is actually not much to talk about because whenever any new entrant comes in or some supply point drops out of the market, there is initially a little bit of turbulence in the market because something new is happening. But again, as any mature market like India would do, it will settle in. As we say, the dust will settle, not in very distant future. That's how we see it.

Ranjit: Right, sir. Thank you. Just one extension to that. Even our own Odisha plant seems to have some overruns with regards to time. Are we still on track, or finally when should we see that getting commissioned?

Tarun Sinha: Okay, so more or less on track. At this stage, we are looking at Q4 of this financial year for the plant to start rolling out the first commercial production from it.

Subhash Anand: It is on track this point of time. We have run through all the things. Majority of the activities already completed. We are in final phase of completing few balance activity. So we expect Q4 it will have a contribution to bottom line. It will contribute.

Ranjit: Okay, sir. Thank you. The second question, just a bookkeeping one. We have seen the trading revenues in the chemical segment almost doubling on a sequential basis, and the run rate seems also been elevated on a YoY basis. So anything specific that you want to call out here, and which are these chemicals that we do over the trading?

Subhash Anand: Majority of the trading has happened in CNB business, fertilizer business. In chemical business, we do some ammonia trading, nothing more than that, because we are the largest producer of ammonia and we also sell in the market. We continue to see opportunity and do those activity. No fundamental nitric acid or a TAN trading activity happen. They are purely 100% in-house businesses, majority of the businesses.

Ranjit: So this trading is over and above our manufacturing sales?

Subhash Anand: Yes, trading is over and above our manufacturing sales, primarily in ammonia space, I call it.

Ranjit: All right, sir. Thank you. I have a couple of them. I will call back in queue. Thank you.

Moderator: The next question comes from the line of Rohit Sinha with Sunidhi Securities. Please go ahead.

Rohit Sinha: Yes. Thank you for taking my question, sir, and congratulations for good set of numbers. So one question on the Gopalpur plant side, as we are slightly delaying the commissioning. So earlier, we were about to commission it by Q3, and by end of FY27, we were expecting to touch 70%, 75% kind of utilization level. So now with the Q4 coming in, how much utilization we are expecting?

And in terms of the TAN pricing, as post monsoon season, as we are expecting good demand for this product. So, on the pricing trend, if you can help us understand whether we are seeing better pricing scenario coming in or still it is in line with what it was there in Q2?

Tarun Sinha: Well, on the pricing front, we don't talk about pricing per se in any of these conversations. But simplistically put, as we are getting into higher demand period, which is a cyclic process in the Indian market, every year it happens like that.

Demand starts to firm up, the support for our products from our customers gets firmer, and also because there will be a lot of opportunities for the mining companies, and mineralproducing companies who, for some reason, have not been able to produce the required minerals in the first half, they try to catch up there.

All these factors combined, there's a lot of support for our product. In addition to that, as far as DMSL is concerned, we continuously price our products based on value. It is about the value that we generate through our composite offerings, and that's what keeps us driving and keeps us close to our customers. That would be my comments on pricing.

Subhash Anand: That's true. In general, H2, we do see price getting firmer compared to monsoon period. That's a general trend, and we are seeing at this point of time similar trend. Coming to on your capacity ramp up, we do see running initially a plant at around 75% capacity. That's what we expect. From the day we start the production, we will go up to 75% utilization in couple of weeks itself. That's the plan at this point of time.

Rohit Sinha: Okay. Got it. Secondly, sir, on overall in this Crop Nutrition Business, with subsidy coming into picture, I just wanted to understand how much subsidy benefit we could be expecting for second half.

Subhash Anand: No, this business, we do see now. Q1, in fact, if you see, the fertilizer business was not that substantial. We do see Q3, Q4, we should start making a normal margins for fertilizer businesses.

Rohit Sinha: Close to 5%, 7%

Subhash Anand: Broadly, yes. We should be broadly in that range.

Rohit Sinha: Okay. Got it. That's from my side. I'll come back in queue. Thank you.

Moderator: The next question comes from the line of Akshay Jawahar with Banyan Tree Associates LLP. Please go ahead.

Akshay Jawahar: Thank you for the opportunity. I had a question on the CCDs that have been subscribed to in DMSL. Post conversion of the CCDs, what will be the shareholding that Deepak Fertilisers will have in the subsidiary as a percentage?

Subhash Anand: Currently, DMSL is 100% subsidiary. CCD subscribe is roughly around 3.5% of the total value. It's not going to be very different, 100% will down by 3.5%.

Akshay Jawahar: Okay. The other point was on the volumes, what sort of volume growth do you think we will be able to do in H2 FY27 and in FY28? Because if my understanding is correct, the growth in this H1 has been predominantly realization-led, correct? Are we expecting any volume growth to come in in H2 FY27 as well or in FY28?

Subhash Anand: Okay. I'll not say H2 is not the right thing to see. Now, the volume growth, the next phase of volume growth which is expected to come in will be from our two new projects which are in pipeline. Now, if I just give you some color, the Dahej project will be adding almost 300,000 tons of nitric acid.

Currently, we sell around 240,000 tons, 250,000 tons nitric acid per year. So our sale of nitric acid is more than doubling. So that kind of a volume growth one can see in our nitric acid business. Similarly, in TAN business, we have a capacity of currently around five or we sell around 550,000 tons, 560,000 tons. We are adding a capacity of almost around 380,000 tons more.

That's 60% to 70% additional capacity which is getting added, and that's the growth potentials available in volume in the coming quarters, or I'll say post-commercialization of these activity. So FY28, or I'll say from Q4 FY27 onward, all these new volumes will be a growth driver for this business.

That's a structural growth, nothing one-off, because there is already a demand for this product. We are just waiting, and the timing of this project is perfectly right, because all the disturbance are behind and coming with a new project at a right time when the demand is more or less stable and market is looking forward.

Akshay Jawahar: The new volumes from the new projects will be online for most of the fourth quarter, right? It's not going to be towards the end of the fourth quarter. Would that understanding be correct?

Subhash Anand: It will contribute to fourth quarter revenue and bottom line, yes. Will not be full quarter, but will not be zero also. So, it will have starting in between.

Akshay Jawahar: All right. I will have more questions. I will join with you. Thank you.

Moderator: The next question comes from the line of Ritesh Bhagwati with Alpha Plus Capital. Please go ahead.

Ritesh Bhagwati: First of all, congrats on good set of numbers. My question pertains to our Gopalpur plant again. As we head towards the commissioning of the plant in Q4, and as you mentioned about the utilization being picked up, what I want to understand is, have we or are we tying up with customers through contracts to pick up these volumes, so as to safeguard the volume numbers and the pricing, or how is it?

Tarun Sinha: Thanks for your question. Tarun Sinha again here. The short answer is yes. We are in close touch with our customers. Bear in mind, the basic philosophy of having this new ammonium nitrate plant in the east coast of India, which is Odisha, Gopalpur, was to ensure that the mining industry in that part of the country, which is the eastern states plus the adjoining central region like Madhya Pradesh and Chhattisgarh.

They do not face any shortage of ammonium nitrate because historically there has been no ammonium nitrate plant in that region, as you know, in the entire country. Therefore, unfortunately, the country has been depending a lot on imports of ammonium nitrate.

So what this Gopalpur plant will do is to alleviate the pain levels of all the importers and of the mining companies who have been depending on imports, and this plant will service that part of the market. And mind you, from a total explosives and ammonium nitrate demand point of view, the eastern region of India and the adjoining Singrauli region in Madhya Pradesh combined, they account for 55% of the total country's demand, and the rest of India is only 45% all put together.

And equally importantly, the growth rate that the eastern states and Singrauli are likely to foresee are higher than the rest of the Indian market as far as mining growth rates are concerned. So this plant is very well situated to meet the demands of that region, and most importantly, help the customers, so the manufacturing industry and mining customers, so that they get away from the pain of importing ammonium nitrate.

Subhash Anand: And just to add to Tarun, these are not the new customers. They are the customers which we are already serving from our Taloja plant for their requirement across the countries. So, same customer. Now, our Gopalpur plants will help them to, in our domestic supply, near to their end customer.

Ritesh Bhagwati: Awesome. So just on the financial aspect of these plants, these two plants, even Dahej included, what should we expect in terms of the quarterly depreciation and interest cost once they are live?

Subhash Anand: Okay. I think broadly, we have shared the Capex number for both the projects. If you see our project loan or a term loan drawn for that number also shared. We do see the project cost will be funded around 55% to 60% will be funded through terms loan, and that term loan impact will be visible on interest cost.

That's a broader underlying if we want to talk. The plants are capitalized on 25 years basis. You can compute Rs. 4,600 crores on a 25-year terms. Broadly, that will be the depreciation around Rs. 180 crores to Rs. 200 crores kind of a depreciation we see on these plants.

Ritesh Bhagwati: Okay. I saw our employee costs rising of 40+% from last year and unallocated corporate cost also increasing. Are any of these related to our new plants?

Subhash Anand: Not directly related to new plant because the new plant direct cost is always capitalized . But yes, the indirect cost which is sitting in corporate office, spending additional resources for projects definitely comes in this and then sits as a part of overall cost.

Ritesh Bhagwati: Okay. Fair enough. Thanks a lot. That is it from my side.

Moderator: The next question comes from the line of Yash Gupta with Asit Family Office. Please go ahead.

Yash Gupta: My first question on the ongoing capex. Is the trial run for Dahej and Gopalpur completed, and have we achieved the desired result? Just want to understand from the point of view of what EBITDA contribution they can do in Q4, as we are saying that we will be utilizing 75% utilization level. So is that 75% utilization comes in Q4 itself?

Subhash Anand: Okay. Q4, when we say 75% utilization, not for the full quarter, but from the time we start the commercial production, the plant ramp-up will reach up to 75%. That is what we are saying. So, part of the quarter we will see a 75% utilization, yes.

Yash Gupta: Is the trial run completed in Dahej and Gopalpur?

Subhash Anand: Okay. We are currently, in fact, some of the trial runs are undergoing at this point of time. Since they are multiple plants, multiple projects, I call it. It is not just one plant. It has WNA, CNA, and also within Gopalpur, again, WNA as well as TAN. So the phase-wise trial run is going on, and that activity is underway at this point of time.

Yash Gupta: Okay, sir. Second question is on the demand. In the previous participant question, you have mentioned that Gopalpur and nearby area having like 55% of the total India demand. So can you quantify how much is from the private sector and how much is from the public sector? And is the ban on export still continue?

Tarun Sinha: Okay. Tarun, again, I will take your question. Thank you. On the first question, at this stage, I would say there is a tilt towards public sector, but that tilt is changing quite rapidly. And in the next 5 to 10 years, there is a very distinct shift which is likely to be seen towards privatization with more number of MDOs, as we call them as mine developers and Moderators, who are the private mining contractors.

They are getting mining leases, new mining leases, and their share in the country's mineral production, whether it is coal or any other mineral, is likely to increase quite significantly in the 5 to 10 years from now and beyond that also. That is the answer to the first question. The second question was exports. The Government of India has been quite kind. They have understood the situation, and the export ban has been removed as of October this year. Last month, completely.

Yash Gupta: We will see some export in this quarter now?

Tarun Sinha: Yes. We are trying to develop the international markets once again, because once any supplier is out from the international market, it takes a little bit of time, effort to get back into that market. That business development, market development work has started from November.

Yash Gupta: Okay. Sure. Thank you, sir.

Moderator: The next question comes from the line of Nipun Sharma with VLS Finance. Please go ahead.

Nipun Sharma: Good evening, everyone. I just wanted to know the guidance, if you could provide any guidance for the medium term regarding the revenue and EBITDA for each segment, if possible. The second part is, if you could provide the expected capacity utilization of the new TAN and nitric acid plant that will be commissioned by the end of this financial year for FY28 and '29.

Subhash Anand: No, in fact, we have shared this information. The new plants, we do see a quick ramp-up of those facility, like 75% in Q4 itself we are seeing, and then this ramp-up will be pretty fast, going to 85% immediately after that, and then crossing 95% in year after that.

The ramp-up, we currently been expected to be fast, and as a company, we have planned for the same. So far, revenue guidance, the volume is known, pricing more or less is stable. On a similar capacity utilization, revenue will come in the each segment.

Nipun Sharma: Okay. The second question is, sir, regarding Chardham Chemicals. Sir, I know that you have mentioned in the previous calls that you cannot actually guarantee that when the mining solutions business will get started. Could you provide any rough year for when it could get started?

Second of all, I was searching through the net that I was able to find Chardham Chemicals, the office address, but I wasn't able to find any manufacturing facility address. If you could provide any information on that, if possible.

Subhash Anand: Chardham manufacturing facility we have in Nagpur. That is true. Currently, we are revamping the entire facility, bringing up to our site and standard. We expect commercial production to start in, or we'll have a contribution will start coming from FY28. We expect this to be towards H2 FY28. We do not see coming in H1. So H2 at this point of time, that is what we see, they start contributing to our bottom line.

Tarun Sinha: Tarun Sinha again here, this is because there are a number of new plants that we are ordering, and we will put up those new plants so that we have a complete product range which matches to our strategy of total cost of ownership, which will allow us to take the entire product range to the mining industry and help them in improving their productivity.

So we want to start with a full range of products, and therefore, depending on the lead time of different plants that we are ordering, that takes us into that time zone which Subhash Anand was earlier talking about for the expected start-up date of this facility. By the way, the district where this facility is located, thanks for your input, we will see if we can bring these improvements in the website and all. The district is Wardha in Maharashtra, where Chardham plant is located. Thank you.

Nipun Sharma: Okay. And sir, will this be added in the TAN revenue or will this be giving us a new segment, the mining solution?

Tarun Sinha: Incremental.

Subhash Anand: This will be, Yes, it will be part of mining solution.

Tarun Sinha: Mining solution only, but in addition to that.

Nipun Sharma: Okay. Thank you very much, and best of luck for your future endeavours.

Moderator: The next question comes from the line of Akshay Jawahar with Banyan Tree Associates LLP. Please go ahead.

Akshay Jawahar: Thank you for the follow-up. I just had one question on the operating margin. I think in Q1, we had an operating margin of about 26%, and in Q2, we had 22%. When we are looking at the full year performance and given Q4 will also see new capacity come online, what sort of margin

should we estimate for FY27 and FY28? Is 22% maintainable going into FY28, or what sort of margins can we expect?

Subhash Anand: Okay. This is a future guidance statement, and I will refrain myself giving you broad, but yes, as a company, we are seeing an improved margin what we used to be in our previous time. The kind of an environment we are in, we do expect this margin trajectory, some plus-minus, continue for some time definitely for us.

Akshay Jawahar: Okay. So 22% should broadly be sustainable, right? That is my understanding.

Subhash Anand: Not exactly 22%, but in a good range, it should be sustainable in a range.

Akshay Jawahar: Okay. All right. Thank you.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Subhash Anand for the closing remarks.

Subhash Anand: Thanks everyone, and thank you taking out time and spending and then passing on your wishes. We look forward connecting you in our next conference call. Thanks.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Systematix Group, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

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Note: This transcript has been edited to improve readability