No. GNFC/Transcript/LODR
November 18, 2025

Dy. General Manager
BSE Limited
Corporate Relationship Dept.,
1st Floor, New Trading Ring,
Rotunda Bldg.,
PJ Towers, Dalal Street, Fort,
Mumbai - 400 001
Scrip Code: "500670"

The 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 had vide our letter dated November 04, 2025 intimated the Stock Exchanges about the schedule of Investors / Analysts meet through Conference Call on Thursday, November 13, 2025 at 04:00 PM (IST) through Conference Call.

We send herewith a copy of Transcript of Investors / Analysts meet through Conference Call which took place on Thursday, November 13, 2025 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: 2025.11.18 12:21:55 +05'30'

Rajesh Pillai
Company Secretary & Compliance Officer

Encl.: As above

"Gujarat Narmada Valley Fertilizers and Chemicals Limited

Q2 FY '26 Earnings Conference Call"

November 13, 2025

MANAGEMENT: **MR. D.V. PARIKH – EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER – GUJARAT NARMADA VALLEY FERTILIZERS AND CHEMICALS LIMITED**
MR. NITIN PATEL – EXECUTIVE DIRECTOR – GUJARAT NARMADA VALLEY FERTILIZERS AND CHEMICALS LIMITED
MR. PANKAJ PUROHIT – EXECUTIVE DIRECTOR – GUJARAT NARMADA VALLEY FERTILIZERS AND CHEMICALS LIMITED
MR. RAJESH PILLAI – COMPANY SECRETARY AND COMPLIANCE OFFICER – GUJARAT NARMADA VALLEY FERTILIZERS AND CHEMICALS LIMITED AND OTHER SENIOR MEMBERS FROM THE MANAGEMENT

Moderator: Ladies and gentlemen, good day, and welcome to Gujarat Narmada Valley Fertilizers & Chemicals Limited GNFC Conference Call for Q2 FY '26 Earnings. This call is being hosted by Anurag Services LLP on behalf of GNFC Limited. From the management, we have Mr. D.V. Parikh, Executive Director and CFO; Mr. Nitin Patel, Executive Director; Mr. Rajesh Pillai, Company Secretary and Compliance Officer; and other senior members from the management.

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 the conference call, please signal an operator by pressing star then zero on a touchtone phone. Please note that this conference is being recorded.

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

D. V. Parikh: Thank you. Thank you, Anurag Services, for holding the call, and good afternoon to all the participants to this conference call for Q2 and H1 FY '25-'26 of GNFC. Aside from the names given by the organizer, we are accompanied by our colleagues from IP Industrial Product Marketing, Fertilizer Marketing, materials management as well as there is one more Executive Director, Mr. Pankaj Purohit, who also looks after portfolio, including information system department, safety, etcetera. So, we are seven people in the call. And you may direct your question to - depending upon the subject to respective. They will identify themselves and then respond to the relevant question.

Now Company has already shared yesterday evening, apart from financial results, the press release and investor presentation. You all must have a chance to go through the same. I will touch upon some of the aspects of what is there and what is not there as well. We will touch first the business update and thereafter touch the part of both operations and financial aspects of the company for Q2 as well as H1.

In terms of the business update, as you know, yesterday, the Board has given a go-ahead for the long-awaited project of Ammonium Nitrate Melt II having a capacity of 163,000. This project is a downstream project for which upstream is already approved sometime August last year.

And the effort is to coincide the timing so that downstream products take care of the upstream production part of this. With this, the company has a pipeline of INR2,800 crores worth of the capex. Broadly, there are four capexes which are ongoing currently. One is the AN melt, which is roughly INR450 crores. Another is weak nitric acid which is INR1,420 crores. Third is the conversion of power and steam plant at Dahej, which is INR613 crores. And there is an expansion of ammonia loop, which is INR331 crores. So, all taken together, it comes to a little above INR2,800 crores of the investment.

Aside from this, the company is actively considering to more investment that is bisphenol A and polyol, which has building block required in terms of propylene and ethylene. There will be some merchant sale of the captive products as well apart from the final products in the market. And these are the import substitutes as such. Yesterday, after the results are declared, there is one more development in terms of the antidumping duty.

We have the antidumping duty across various regions outside India. The update is in respect of a few origins where the government has recommended for extension of this antidumping duty by another 5 years. So hopefully, this -- from the date of announcement will be 5 years. So up to 2030, somewhere, we expect these duties to be operative.

The main countries where these duties are applicable - antidumping duties are applicable are European Union, EU, Saudi Arabia, Middle East and Taiwan. These are the four origins where this duty is applicable. And the duties have different structure depending upon the country of origin and the country of exports.

The third development is on account of this fertilizer and nutrient-based subsidy related thing where government has revised the rates. This time, it is upward revision and company stands to benefit on a per metric tonne basis of roughly INR872. As you know, the government guideline restricts the profits from a reasonability perspective up to 10%. So -- but then this will help in case any raw material price increases happen. So that can be absorbed well apart from making the product attractive in the market.

In terms of other developments, there are like financial and operations part of it. Operations, we had a smooth quarter, barring some small outages both at Bharuch and Dahej, which impacted to some extent the volume. But by and large, the TDI production as well as the CNA production has helped to keep it up with the run rate on the -- both production and sales side. In terms of the financial aspects, while the results are with you, the improvement mainly comes from reduction in the input costs as well as improvement in volumes like of the products we discussed.

From a business environment perspective, there are effects on some of the products where because of this sanction part, we are facing the issue. One of the product is acetic acid where the key input feedstock requirement is methanol, so which is having certain aberrations in terms of availability as well as the cost at which it is available.

That is impacting. The second aspect, which has nothing to do with sanction, but something to do with the larger volumes of import is that of aniline. So aniline, not only the volumes are impacted, but the margins are impacted. So these are the two products where there is severe bidding.

On the greener side of it, there are 3 products where the improvements have been quite visible is one is the weak nitric acid, second is the AN Melt and third is the technical grade urea. Aside from this chemical products, there is a better volume and margin in case of product, which is a complex fertilizer, the only fertilizer we manufacture, it is ammonium nitrophosphate.

Going by the balance sheet, P&L and cash flow, taking you through this, there are no major changes in the balance sheet, except you may see some major change in cash and bank balances that is because of the dividend payout and the amount going into the work in process, which has increased by a factor of roughly INR350 crores or so.

And third is the maturity of the bank deposits. So that has given reduction from a level of roughly INR2,300 crores to INR800 crores or so in terms of the cash flow. In terms of balance sheet, there are no major changes except the increase in work in process and the reduction in cash and bank balances we discussed.

Government has been quite consistent in giving the subsidy and the net subsidy outstanding as at 30th of September is roughly in the range of INR290 crores, INR288 crores to be precise. Now with this, I end up my opening remarks and leave the call back to you for any question and answer. Thank you very much.

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

Nirav Jimudia: Congratulations on a very good set of numbers. Sir, I have a few questions to ask. Sir, first is on the AN Melt side, like with this 163,000 tonnes of additional capacity, is it a correct number that our capacity after this would be closer to around 363,000 tonnes?

D. V. Parikh: I'll answer that. See, the current capacity is 175,000 metric tonnes per annum. And we have two streams of AN Melt. This at 163,000 will add up another 94% of the capacity. So 175,000 plus 163,000, just in the number we are looking at in terms of the total availability of AN Melt when it starts around July '27.

Nirav Jimudia: And sir, in this AN Melt with this additional line, is there any plan to produce that LDN also? Because in last interactions in our earlier calls, you were telling that predominantly, we are into AN Melt and to some extent, HDN also. So are we taking up the LDN also this time with this expansion? Or this would be limited only to AN Melt and HDN?

D. V. Parikh: This is pure melt form, and there is no hard form prilled kind of AN Melt, which is on the horizon. We examined this with respect to what additional premium we are getting in the market with respect to the additional capex and it did not make sense. And while going again for the melt kind of a product, it got elongated from August '24 to this time. Fortunately, it is more or less overlapping each other, the upstream and downstream is being taken care.

Nirav Jimudia: Correct. Correct. So predominantly, everything would be more or less related to AN Melt only, right?

D. V. Parikh: AN Melt. Yes.

Nirav Jimudia: Sir, second question is on the recent price increase in the ammonia globally and also in India. Sir, what we also observed is that in some of the pockets, even the WNA prices have also started seeing the price increases in commensurate with the ammonia prices. So if you can just help us explain in terms of whether in India also the prices of WNA and CNA started moving up as against what it was in September, A? And B, also, if you can just help us understand the market for WNA and CNA in India.

D. V. Parikh: Okay. So we request our IP marketing head to respond on this.

Tejas Shah: I'm Tejas Shah from IP Marketing. Yes, you are right, after the -- these are the months when the WNA and CNA pricing are moving slightly up. But you might be knowing there are extended rains in all over the India and nitric acid majorly used in calcium nitrate sector, potassium nitrate, sodium nitrate, all nitration reactions. And imports are also coming in a big way in Indian market. So the nitric acid price is not moving up just because of the reduced demand due to extended rain, nitric acid prices is not moving up with respect to ammonia prices in international market.

D. V. Parikh: And you are right, ammonia prices have moved up, which is what we witnessed while we go for sourcing the ammonia.

Nirav Jimudia: And sir, let's say for the chemical part of our ammonia since we produce it through oil, is our entire requirement of ammonia being taken care of for WNA or AN Melt through our own captive production or we need to also go outside for sourcing the ammonia for our chemical business?

D. V. Parikh: Yes. Once the plants are up and running, these two expansions, even after considering the ammonia expansion of 50,000 metric tonnes, we will be short of roughly 35,000 tonnes of ammonia, which we'll have to manage through the bought-out ammonia.

Nirav Jimudia: But currently, there is no shortfall as far as the situation stands? Speaker.

D. V. Parikh: Some shortfalls is still there we have started operating both the resources which we have like in terms of gasifiers-based production. But still there is some shortfall, which we are buying from the market.

Nirav Jimudia: Got it, sir. Sir, next question is on -- if you can just help us walk through in terms of the production volumes for WNA and CNA, AN Melt and TDI for this quarter, second quarter?

Nitin Patel: Production volume -- I'm Nitin Patel, Executive Director, Operations and Maintenance. The production volume and onstream factor in Q2 is higher than Q1. So production volume has improved. And if I tell you roughly figures.

Nirav Jimudia: Yes, yes roughly is helpful.

Nitin Patel: Yes. The WNA production is in Q2, 67,000 plus 30,000 in second plant. So roughly 97,000 production WNA production.

Nirav Jimudia: Okay. For CNA?

Nitin Patel: And CNA is close to 33,000 roughly.

Nirav Jimudia: AN Melt and TDI also, if you can give some rough numbers.

Nitin Patel: AN Melt is 73,000 roughly. And TDI, we have 2 units.

D V Parikh: He is asking for Q2.

Nitin Patel: You are asking for which period?

Nirav Jimudia: Q2. So possibly Q1 AN Melt was 37,000 tonnes, if I'm wrong.

D. V. Parikh: Yes, yes. So it is 36,000 in Q2. And CNA is 40,000. Weak nitric acid is 113,000.

Nirav Jimudia: Okay. Got it. And sir, TDI last quarter was like close to around 16,000 tonnes. So what was the number for Q2?

Nitin Patel: Q2 is around 15,600 roughly.

Nirav Jimudia: Okay. Got it, sir. Sir, next question is on the cost savings, which you were highlighting earlier in terms of appointment of A.T. Kearney and they were under several stages of working. So has anything finalized here in terms of the operation part? And also, if you can share that if some benefits of the cost savings have already started accruing to us. Any thoughts here, sir?

D. V. Parikh: Yes. We covered last time that A.T. Kearney was appointed. Their appointment has been at that point in time for Phase 1. Now at the end of quarter 2, they have been appointed for Phase 2 to realize those kinds of savings and the help is being taken. They have identified a few areas for achieving this saving from procurement to operations, meaning in steam power operations and digital deployment-based saving, etcetera.

And there is a number which runs into a couple of hundred crores, which we expect on a per annum basis where both the teams, GNFC team and A.T. Kearney is working on. So -- and since the assignment started effective more or less sometime early October, so we are -- we will see the traction in time to come, a couple of quarters. They are appointed as of now for achieving this over 12-month period when we are talking about the annualized saving.

Nirav Jimudia: So possibly second half of next year, we should start seeing most of the benefits coming through the P&L.

D. V. Parikh: Yes, by that time, yes, it is expected that the savings should flow to the P&L.

Nirav Jimudia: Correct. Sir, one more question before I again jump back in the queue. Sir, in your opening remarks, you mentioned that we are evaluating BPA and polyols. So like BPA, you already have a forging availability with us but the phenol has to be procured. And for polyols, I think propylene, which is again a shorter material in Indian market given the kind of the value chain presence it has. Any thoughts here, sir?

Because when we see polyols, there is a lot of dumping into India so far as polyols is concerned. And BPA generally most of the players, what we see is more of an integrated plant from phenol, bisphenol or let's say, polycarbonate. So this is the chain where most of the people operate in. So we have picked in between the value chain product. So any thoughts here in terms of going ahead with or let's say, evaluating these two products?

D. V. Parikh: You are right, first of all. The chain is ending up to polycarbonate. However, in case of polycarbonate, the biggest challenge is sourcing the technology. And while around 6 to 7 options were evaluated, primarily 2 options look very attractive, which are import substitute, which is BPA and polyol. The building block for this is propylene and ethylene aside from feedstock of benzene. Phenol, we will have an upstream production line of phenol as well. And there is a material balance done from phenol to bisphenol A and polyol.

So -- and the current projections are this market is growing at the rate of roughly 7% both. Some is at 7.2%, the other is at 7.6 . And we are in the process of doing two things. One is a detailed market survey for this. And the second is working out the TEFR, the feasibility part of it. Prima facie the feasibility, which is indicated by is A.T. kearney is leading to a in principle decision to pick up these two projects.

But more we will come to know over a couple of quarters down the line. The expected capex of both taken together might work out to the range of roughly INR7,000 crores to INR8,000 crores as of now, which is a ballpark figure. TFR will tell us more about depending upon the technology and other aspects involved as to where it can go.

Nirav Jimudia: Correct. And this would also include the upstream phenol plant, INR7,000 crores to INR8,000 crores, right?

D. V. Parikh: Yes.

Nirav Jimudia: Because I think BPA would find another application in terms of epoxy because that's also a short material in most of the epoxy play.

D. V. Parikh: That is a predominant application.

Moderator: Next question is from the line of Atur from ICICI Prudential Mutual Fund.

Atur: So just two questions. One, on the balance sheet, you mentioned some FD maturities. So can you just highlight like cash flow mentioned you've invested in some deposit or something. So can you just highlight where we have invested that money?

D. V. Parikh: See, there are three components to that reduction. If you see the balance sheet summary, which we have given, both in the investor presentation as well as press release, there is a net change of roughly INR1,800 crores Okay. First part is the dividend distribution, which we did at the rate of INR18 per share. And we carry roughly INR14.6 crores worth of shares. So that's the one payout, major payout.

The second major payout is around close to INR375 crores of the capex, which is incurred during the quarter. And the third, the remaining is the change you will see in the other assets of roughly INR1,000 crores, which is a switch back from the fixed deposits to some other forms of investments. So this is how it reconciles to that change of INR1,800 crores.

Atur: Yes. No. So what exactly would be these investments? Like are these bonds or deposits or just wanted to understand.

D. V. Parikh: See, okay, depending upon the available rates, as of now, we have parked with GSFS, where the rates are better than the other options.

Atur: Okay. Got it. Fair. And sir, secondly, on the two new under consideration projects that you highlighted. So, for now, basically, the capex amount you indicated, including phenol, etcetera. So those -- as of now, the Phase 1 is over. So that means in terms of newer products broadly you are done? Or do you think you can look at further projects as well? Or right now, we would make sure that the plate is full in terms of new capex?

D. V. Parikh: No, it is not like that. See, like in the last call, we said we have identified a chest size of roughly INR15,000 crores, okay. And we are prioritizing in terms of what is possible from a financial standpoint and from the availability of technology point of view also. For example, we were also considering to look at as a product, MDI. But the biggest challenge in this kind of product is that of a technology license.

So even if it is lucrative and we have a chest to do that, that's a first hurdle to cross and which is a very -- the most difficult hurdle to cross. So we will keep on looking at the various options. And as you know, aside from the cash, we also have regular accruals. And borrowing is also not a problem as long as the project profile is really attractive in terms of the return. So is that -- has that answered your question? Or you have anything more to be answered?

Atur: No, broadly, -- got it, sir. So basically, you're saying these two projects are the one where you have now finalized the -- like you can easily get the technology and broadly the products, et cetera, now you will do the market survey and looks to be -- this can be done is what you're trying to tell us. But that doesn't stop us from going into newer products if we get the tech tie-up, etcetera,.

D. V. Parikh: Yes, yes. And also, there is a phasing. See, there are certain identified products also where a phasing is done, whether it is good to go as of now or it is good to go after some time. So there is both identification of the project, which is immediate to be taken up and there is a phasing to be taken up for various -- I mean, various governing consideration, not because of the capex as such.

The only thing which we dropped because of the capex size is that of a cracker one, which we earlier used to quote. But there, the investment is very heavy, and we are not from like refinery side. So we dropped that idea of going along with the cracker kind of downstream basket of products.

Moderator: Next question is from the line of Vivek Jalal, an Individual Investor.

Vivek Jalal: Am I audible?

D. V. Parikh: Absolutely, sir.

Vivek Jalal: While going through the recently declared these financial statements, there is a statement in the notes to account that the company has received a demand notice of nearly INR20,000 crores from Department of Telecommunication. So just I wanted to know that is this a disputed demand? And if yes, then what is the status where this case is going at the Supreme Court or the appellate tribunal. And what the merits of the case because the demand is nearly INR20,000 crores more than the market cap.

D. V. Parikh: You are right. First of all, this note is not appearing in quarter 2 only. It has been appearing since many, many years. The demand of INR20,000 crores, you are referring to more than -- the exact demand, which you have mentioned is INR21,370 crores in the notes to accounts. And that too pertains to a year of 2021. And we company feels we have a strong case. And the -- as of now, the matter is at the TDSAT, the appellate tribunal level.

The various decisions which have come in respect of this kind of demand is for the hardcore telcos and not for people who has a very miniscule kind of a business, whereas the core business, which forms more than 99.99% of the revenue coming from outside the purview of the telecom business. So we feel we have a very logical case and there is nothing to worry about this. There are no further developments after 2021. No further notices, no other developments.

Vivek Jalal: But the case is still pending at the tribunal, right?

D. V. Parikh: Yes.

Vivek Jalal: Because Tribunal has not disposed of that case.

D. V. Parikh: But that is not in our hand. That takes its own course of time.

Vivek Jalal: Any judgment, similar judgments in our favor that the company which is not directly involved in telecommunication business would not be liable to pay such taxes and penalties and interest. Any such cases has been settled till now?

D. V. Parikh: There is one settled. But again, it is -- it has landed at Supreme Court level. So these are litigation prone areas, okay. And we don't know what will be the final view. But the point is it's a very, very remote and unreasonable view to take that this INR20,000-plus crore would materialize because the facts of the case are not supporting the ground realities.

Moderator: Mr. Jalal, does that answer your question?

Vivek Jalal: Yes.

Moderator: We have our next follow-up question from the line of Nirav Jimudia from Anvil Wealth.

Nirav Jimudia: Sir, on the capex part, since WNA ammonia and power plant were the earlier announced capex, if you can help us explain out of the total amount of, let's say, INR2,400 crores for all these 3 projects put together, how much we have spent till second quarter of FY '26?

D. V. Parikh: Okay. I'll tell you about the committed capex on all 3 fronts. On the power project, which we are referring to at Dahej, it's a project size of INR613 crores. INR536 crores are already committed on this project. The other one, which is ammonia makeup gas loop, the project size is INR331 crores, INR306 crores are already committed. And the fourth one is the weak nitric acid 3, where the project size is INR1,420 crores. And the commitment is INR1,128 crores already done.

Nirav Jimudia: Okay. Okay. Correct. Sir, second question is on -- in one of the presentation slides, you have mentioned that there is a possibility of fixed cost revision in urea by the end of this calendar year. So have the discussions with the government have further gone up in terms of those fixed cost revisions? And where are we in terms of getting a favorable outcome out of our discussions with the government?

D. V. Parikh: This month, there have been two meetings. One is sometime in the early November. And second meeting took place just today itself. The first meeting was with Department of Fertilizer. Today's meeting was with Department of Fertilizer and Chief Adviser cost. And in both the meetings, the issue of industry is that the criteria applied needs a revision.

Although in our case, whatever we have come to know from public domain and other sources, there is an upward revision. But that revision, we are fighting for that revision to go upwards because the basis are still not logical. This is on the fixed cost part. On the energy part, we came to know quite some time back that there is going to be a revision.

But somehow the internal circles in Government of India, they have linked to both this that both need to be announced together. So even the energy revision has not happened. The pulse which we got out of the meeting with Department of Fertilizer is that it has already gone for approval. So let's see when it comes.

And it is favorable, whether it is fixed cost revision or the energy revision, it is favorable in case of GNFC on both these accounts. As far as energy is concerned, it is quite favorable. As far as fixed cost is concerned, we are trying hard for upward revision, although revision is over and above what we are currently getting. Quantification is not being indicated because these are provisional numbers known to us.

Nirav Jimudia: Got it. Sir, so let's say, by whatever confidence we are getting in terms of the numbers from the authorities, would it help us to wipe out the losses from the fertilizer segment with the kind of numbers what we are looking at or whatever maybe, let's say, the ministry is currently working on and the indications what we have got?

D. V. Parikh: Wiping out is not going to happen, but there is going to be substantial reductions in the losses being reported in the fertilizer segment. Aside from this, there is also a plan to work out something within the fertilizer, which has been the active discussion point in the meetings at management level. So that might contribute in time to come, like what other companies are doing.

Nirav Jimudia: Sir, some bookkeeping numbers again. So if you can help us understand or tell us what was the total ammonia production in Q2? And if you can bifurcate between gas and oil, that would be helpful.

Nitin Patel: Total ammonia production was 138,210. And roughly 65% is gas based for neem-coated urea.

Nirav Jimudia: Correct. Sir, last bit from my side. You touched upon TGU as one of the contributor to the improved profitability this quarter. So if you can just help us understand in terms of our capacity, is it is fully utilized currently? And have we seen the price improvements in recent months for TGU?

D. V. Parikh: Okay. The technical grade urea, we operate basically after prioritizing the neem-coated urea given the sensitivity of serving the farmer community. So that's the first priority from the company side, from taking into insistence the Department of Fertilizer side also. The rest is produced in the form of technical grade urea. Because of the various modifications on the oil-based ammonia side, the overall quantum of ammonia has helped increase the overall production of urea. So that is helping the technical grade urea.

Number two, on the pricing front, of late, there is a pricing pressure in case of technical grade urea. But with this revision, which we witnessed in case of ammonia, there could be an opportunity. So far, the opportunity is not witnessed but then we look forward to this opportunity if international ammonia prices go up.

Nitin Patel: And Niravji, I make a correction. I told you the ammonia production figure of 138,000 that was for Q1, but the Q2 figure is 155,000.

Nirav Jimudia: Okay. And sir, would there be any shutdowns or maintenance-related work in second half? Are we anticipating anything? Or we would continue to operate our plants fully even in the second half?

Nitin Patel: As of now, the plan is to continue to operate unless some unforeseen breakdown happens in the plant and machinery.

Nirav Jimudia: Got it. Sir, last bit from my side, you touched upon on the methanol part. With the recent Iran sanctions by U.S.A., we have seen the domestic prices moving up. So does it provide any chance to us to restart our methanol production for our acetic acid capacity? Or we have to continue to purchase it from the outside market. So any economics are currently working out for our methanol production to get started?

D. V. Parikh: See, in case of methanol, there are realities like there is asymmetry between acetic acid and methanol prices. Acetic acid is highly under pressure for pricing in spite of methanol being its feedstock. Secondly, methanol, when we buy from outside versus what we can, we have a gas-based facility and the gas prices currently prevailing are still higher, and that is not making it amenable to captive production as of now.

So we buy it and at times do witness spikes. It is not about the sanction on Iran. That has happened way back. It is about sanctioning the importers who are -- who have been buying from Iran. So that is where the second order impact, which has come into operation. And that has strayed a few of the vendors away because they are -- they say they are facing some difficulty. So that's the situation on methanol.

Moderator: Next question is from the line of Vivek Jalal, an Individual Investor.

Vivek Jalal: After hearing from you that the demand of DOT Department of Telecommunication does not stand its merit. I just read it, yes, it was true that the demand does not stand merit and DOT has withdrawn demands against many PSUs like GAIL and Power Grid and Oil India. Just I wanted to know that when DOT has withdrew its demand against other PSUs, not why us means they have already withdrawn demand of other PSUs, why not they have withdrawn the demand of GNSU?

D. V. Parikh: Okay. Technically, they are real PSUs and we are joint sector company.

Vivek Jalal: So that's the difference.

D. V. Parikh: That's a sort of a difference which has played out. We represented that no matter whether it is joint sector, predominantly, we are a state PSU kind of thing. But people have their own yardstick. The other side has its own yardstick to look at the company.

Vivek Jalal: But the company, you all are confident that this demand will not materialize because of that PSU thing, the Supreme Court intervention that.

D. V. Parikh: No, we are confident based on the fundamentals of what business we used to do and the proportion of the business thereof.

Moderator: Next question is from the line of Pavan Kaware from Nayan M. Vala Securities.

Pavan Kaware: Congratulation on good improvement in the margin. So my question was on if you can repeat the H1 volumes for WNA, CNA, AN Melt and TDI?

Nitin Patel: Yes. H1 volume for WNA is 146,000 and 64,000 in second plant. And CNA is around 70,000.

Pavan Kaware: And TDI, AN Melt?

Nitin Patel: TDI is around 30,000 -- both plants put together.

Pavan Kaware: Okay. And acetic acid?

D. V. Parikh: 73,000.

Nitin Patel: Yes, acetic is 73,000.

Pavan Kaware: Okay. And we have given a guidance of around 67,000 for TDI. So we are confident in achieving the same?

Nitin Patel: The plant had some technical issues, which are sorted out. So we had a couple of breakdowns and now plant is running well back on stream. So to that extent, there would be some deficit, and we expect to cover it up in the H2 to the extent possible.

Moderator: Next question is from the line of Atur from ICICI Prudential Mutual Fund.

Atur: Sir, just one question on -- like given our capex plan, et cetera, any change that we would see in our payout policy or buyback policy, which we have been doing pretty well. So any thoughts that you think which will be in the best interest of the company and how you would think about it?

D. V. Parikh: Okay. The Government of Gujarat guidelines, which were originally issued in '23, April '23 and revised recently also, I think, in July '25, it's pretty comprehensive and clear as to what are the factors to be considered for payout in terms of dividend, for buying back the share, for split of the share and for bonus of the share. So depending upon the situation prevailing in the company, those decisions are taken. And actually, these decisions are falling within the purview of the Board based on the facts of the case presented. So it is premature for us to comment particularly on the payout policy as such.

Moderator: Next question is from the line of Pavan Kaware from Nayan M. Vala Securities.

Pavan Kaware: One last question on the revenue mix. Do TGU, TDI and AN Melt lead over the sales in H1? Like they are the major contributors to us in H1? And what was their contribution?

D. V. Parikh: You want contribution in terms of rupee or the share or revenue within the...

Pavan Kaware: Share of revenue or in terms of sales also fine.

D. V. Parikh: Okay. Share of revenue of TGU and...

Pavan Kaware: I believe TGU and TDI and AN Melt are top contributors.

Tejas Shah: Compared to -- if we compare with Q1, the AN Melt is almost same. As far as the contribution is concerned, it is slightly downward. Second one is TGU. TGU sales is good compared to previous quarter around 7%. And contribution-wise, it is also good around 8%. And third thing, TDI, TDI also the sales is around 40% high compared to Q1 and marginally around 5% high as far as the contribution is concerned.

Pavan Kaware: And in terms of H1, what was the contribution from the three products?

Tejas Shah: Compared to last year H1?

Pavan Kaware: Yes, and specific to the H1 '26, what was the percentage?

Tejas Shah: If you compare the H1 of previous year, TDI sales is 35% higher and contribution-wise, it is 9% lower. AN Melt sales is slightly down compared to previous year. It is around 15% lower. And contribution-wise, it is almost same. The TGU sales is also almost same compared to previous year. And contribution-wise, it is 7% higher compared to previous year.

Moderator: Next question is from the line of Vineet Rathi an individual investor.

Vineet Rathi: Am I audible?

Moderator: Your voice is very low.

Vineet Rathi: So am I audible now?

Moderator: Yes, please proceed.

Vineet Rathi: Yes. So actually, this my specific to the management overall, very generic questions, two questions are there. So one is on overall basically when we say a lot of investments we have done, which are basically nonoperative investment in various government bonds, holding of different shares of various other companies, I mean to say within Gujarat GSFC and all those shares.

So if we see overall income and to the extent of investments what have been done, the income is very low. This has been going on historically. It's not that anything new has happened. But -- and I feel that I mean to say that there has to be certain rush there, rush in the management that so much holdings we have on the bond security.

Why can't we invest in some good business ventures and lot of opportunities which are coming. And second question is also connected to this, about what is the update on the -- I mean, I heard it a year back that we have appointed some management consultants for some new businesses and all, but we are not seeing any kind of progress in that.

D. V. Parikh: Okay. Coming to your first question about the investment. See, the investment in other Government of Gujarat companies is a matter of decision which is taken by Board from time to time, okay? And these are strategic in nature. If you see other PSUs also, they also have holdings. Let me give you an example.

We hold, let's say, some holding in GSFC. We hold some holding in GSPL. We hold some holding in Gujarat Gas. Let's talk about the CPSU. Petronet LNG, okay, or BPCL. BPCL has also invested in a venture called Petronet LNG and a few other companies. If you take GAIL, same is the case. So there are certain decisions which are of a strategic nature.

And if you see, it is not only the dividend part of it. They have grown substantially in terms of their payout in the sense, it's an unrealized payout as of now, which is a capital appreciation we have seen. If you look at the cost of investment versus the fair value, which is there on the balance sheet, it is substantially higher.

And if one calculates in terms of the rate of return, the capital appreciation is significantly higher, whether it is the investment in GACL, Gujarat Gas, GSPL or even GSFC. This is how other companies are also doing. As far as the investment in GSEC and other parties is concerned, you take any nifty company.

Let me give you the example of a company like Reliance or you can take even the CPSU. We have analyzed the broad spectrum of what all they invest in. Reliance, for example, has thousands of crores invested in G-SEC. They have thousands of crores in bank fixed deposits. They have invested in other businesses, which are their own expansionary businesses. And this is evident not because I am saying it is evident from their balance sheet.

You take any CPSU, whether -- let me give you the example of a Petronet LNG. They have roughly INR8,000 crores on their balance sheet, where are they invested? Fixed deposits. So -- but at the same time, they have certain plans. They have a capex plan. They are going for a new jetty at Dahej, that's they are going for a new terminal in Orissa, so on and so forth.

Depending upon the capex plan, they have a plan to utilize and not immediately deploy. So there is nothing wrong with it. And if we are thinking about a chest size of INR15,000 crores, this will be utilized in time to come in a very short time to come. But the key thing is identifying a reasonable opportunity to invest.

Vineet Rathi: Right now -- so of course, the fundamentals and the approach I fully respect on that part. There is nothing to counter on that. The more important thing is on the communication side. Like, okay, I mean to say that, okay, these -- like right now, when I say that almost 40% of the overall market cap what we have in these are invested in these kind of low -- very low yielding assets right now.

So I mean to say it creates a kind of thing that, okay, fine there is -- that's why our return on capital employed when we compare to other peer groups and other are very low, very low. And Definitely, as an individual investor and definitely, we do some investment like I have been holding this now for more than a year, this particular thing. We do have in mind that, okay, certain things, you will be done, but it's very, very slow, sir. It's very, very slow.

I mean to say, I don't know when all these will materialize. And when we see other peer companies, other peer groups, they are running at a very handsome valuation. So somewhere you feel that -- I don't know what badly some analysis you did. So that raises a certain -- basically on the conduct that okay, fine, the communication, okay, what expansions are you doing and certain time lines also with a dedicated plan that, okay, fine, these are the time lines, these are the things. So those are lacking, those are lacking.

D. V. Parikh: Okay. If you see what is there in the public domain for all investment, there is a time line given. of what are the projects where these are going to get completed. As far as your question on valuation is concerned, valuation, okay, normally, a private player is not comparable, whether it is a state PSU or a central PSU, and that is the case across India.

You take anyone, you take ONGC, you take Petronet, you take BPCL, you take any company, IOCL. So it is not a sort of exception. That's the way the market is designed. I mean we can't do something like a private player does, okay? And at the same time, the major decisions like capex are supposed to be slow because they need to be carefully examined because once you commit, it's a permanent commitment of a lifetime almost.

So okay, if you hold it for a year, you might feel a brunt of it. But then this is the way the whole capital market in India is working. So what's wrong with that? In terms of communication, we would request you to go through what is available in the public domain. It is published just yesterday, and it will give you the time line for all capex projects.

Vineet Rathi: Definitely, sir, I will go through, as you have mentioned, I will go through in more details. And definitely, if any questions, queries are more or there I will...

D. V. Parikh: Yes, yes, you are welcome. We have our investor service desk, and you are welcome offline also with any questions.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. Rajesh Pillai, Company Secretary and Compliance Officer, GNFC Limited, for closing comments.

Rajesh Pillai: Very good evening. On behalf of the management, we sincerely express our gratitude to all the participants who have joined this con call. And we also express our sincere gratitude to the moderator as well as Anurag Services LLP for facilitating this call. Thank you.

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