



GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

Fertilizernagar - 391 750. Vadodara, Gujarat, INDIA.

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18th November, 2025

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'Exchange Plaza', C/1, Block G
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Bandra (East), MUMBAI - 400 051
SYMBOL: GSFC

Dear Sir / Madam,

Sub.: Transcript of the Investor ConCall held on Wednesday, 12th November, 2025

We refer our submission vide letter dated 4th November, 2025 wherein the intimation was made that the Conference Call with Analysts is scheduled on 12th November, 2025 from 3:30 PM IST.

We are enclosing a copy of the transcription of Conference Call. The aforesaid information is also disclosed on the website of the company at www.gsfclimited.com.

Kindly take note of the above.

Thanking you,

Yours faithfully,
For Gujarat State Fertilizers & Chemicals Ltd.,

Nidhi Pillai
Company Secretary &
Vice President (Legal)
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Encl.: a/a



**Gujarat State Fertilizers &
Chemicals Limited**

Enriching Lives Everyday

“Gujarat State Fertilizers & Chemicals Limited

Q2 FY’26 Earnings Conference Call”

November 12, 2025



**Gujarat State Fertilizers &
Chemicals Limited**
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**MANAGEMENT: MR. S.K. BAJPAI – SENIOR VICE PRESIDENT, (FINANCE
AND LEGAL) AND CHIEF FINANCIAL OFFICER – GUJARAT
STATE FERTILIZER & CHEMICALS LIMITED**

**MR. S.V. VARMA – EXECUTIVE DIRECTOR, (AGRIBUSINESS,
HRS & IR) – GUJARAT STATE FERTILIZER & CHEMICALS
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Gujarat State Fertilizers & Chemicals Limited Conference Call for Q2 FY '26 Earnings. This conference call is being hosted by Anurag Services LLP on behalf of GSFC Limited.

From the management, we have Mr. S.K. Bajpai, Senior Vice President (Finance & Legal) and CFO; Mr. S.V. Varma, Executive Director (Agri Business, HRS and IR) 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 your touchtone phone.

I now hand the conference over to Mr. S.K. Bajpai, (Senior Vice President (Finance & Legal) and CFO, GSFC Limited. Thank you, and over to you, sir.

S.K. Bajpai: Thank you. So good afternoon, everyone. Thank you for joining us for Q2 2025-26 Earnings Call of Gujarat State Fertilizers & Chemicals Limited. It's always great to connect with all of you and share the key updates that we have from the quarter. I'm hoping you had a chance to review the financial results, media release and investor presentation available on the stock exchanges and also on our company's website.

If we see consolidated financial performance on Y-o-Y basis Quarter 2, revenue from operation expanded by 21% Y-o-Y

from (Rs.2,635 crores to Rs. 3,187 crores. PBT rose by 11% Y-o-Y from RS. 387 crores to Rs. 428 crores and PAT by 9% from Rs. 298 crores to Rs. 324 crores.

If we see half yearly result Y-o-Y, revenue from operations grew by 12% from Rs. 4,798 crores to Rs. 5,372 crores. PBT rose by 23% from Rs. 500 crores to Rs. 613 crores and PAT rose by 20% from Rs. 386 crores to Rs. 463 crores.

And now if we look quarter-over-quarter, then being the high season for fertilizer segment, revenue from operation grew by 46% from Rs.2,184 crores to Rs. 3,187 crores. PBT jumped by 132% from Rs. 184 crores to Rs. 428 crores and PAT by 134% from Rs. 139 crores to Rs. 324 crores. I think you have also seen these results published, and I'm not repeating the numbers on a standalone basis. But it is more or less similar because, there is no much difference in consolidation and standalone numbers.

The company commenced the second quarter of current financial year with its strongest ever performance, registering total sales of Rs. 3,140 crores, up 20% on a year-over-year basis and profit after tax of Rs. 320 crore, marking 6% improvement over the corresponding period last year. The fertilizer business saw a 21% gain in revenue and increased sales volume from 5.47 lakh metric ton to 6.08 lakh metric ton, including significant DAP trading which was the main driver of growth.

However, due to sharp rises in the cost of imported raw materials like phosphoric acid by 20%, sulfuric acid by

123% and sulphur by 150%, EBIT moderated to Rs. 224 crores from Rs. 257 crores, offsetting the advantage of increased realization in P&K fertilizers. The 15% drop in urea realization put pressure on margins, although softer natural gas and ammonia prices offered some respite.

The Industrial Products segment registered a strong turnaround with sales up 13% year-on-year basis to Rs. 618 crores and EBIT improving from a loss of Rs. 17 crores to a profit of Rs. 54 crores. The improvement was led by higher sales of traded products such as ammonia and higher production volume of HX Crystal, which overcame the headwinds in caprolactam and other major industrial products.

While the caprolactam benzene spread declined from \$620 per metric ton to \$512 per metric ton. Cost optimization measures and product mix management supported profitability. Overall, the company maintained a healthy performance in Q2, demonstrating resilience against raw material volatility and sustaining growth momentum across both business segments.

We continue to maintain a strong balance sheet with no long-term debt, healthy net worth and adequate liquidity. Our liquidity position has also been supported by the timely disbursement of government subsidies, reflecting a proactive fiscal approach by the authorities.

As of date, the company has received subsidy dues for P&K fertilizers up to third week of September and urea claims up

to second week of October. This provides the foundation for advancing our capex roadmap as detailed in the investor presentation.

The Sulfuric Acid V project is slated to be commissioned in coming quarter of current financial year, providing both incremental capacity and cost efficiency benefits. The project will cater the requirement of Sulfuric Acid for manufacturing of Fertilizers like Ammonium Sulphate and Ammonium Phosphate Sulphate. Further, the steam generated therefrom shall be available for utilization at Vadodara Complex.

Against the backdrop of an ever-normal southwest monsoon and higher minimum support prices for key Rabi crops, healthy demand for agri imports is expected to sustain in the upcoming quarter. The Government has announced an NBS subsidy rates for second half of '25-'26 with a 10% increase in phosphorus and sulphur nutrients, aligning with the rise in the global raw material prices.

The country also enters the Rabi season with comfortable opening fertilizer inventories. During the third quarter, the company is well-positioned to achieve sales in line with availability built up through its domestic manufacturing capacities.

The caprolactam benzene spread is expected to remain under pressure in coming quarter amid oversupply conditions, a prolonged shutdown in China, enhanced US tariffs and

continued influx of low-priced Chinese imports, which may keep prices across the nylon value chain subdued.

Demand for melamine is projected to remain steady in both domestic and export markets. HX Crystal demand is likely to stay soft in the domestic market, though export volumes are expected to improve.

Demand for other industrial product is expected to remain stable during the quarter, though pricing pressure may persist due to cheaper Chinese imports. Overall, the company anticipates a stable demand and turnover in the Industrial Products segment in the next quarter.

I'll now turn over the call for questions and answers. Thank you.

Moderator: Thank you very much. The first question is from the line of Nirav Jimudia from Anvil Wealth. Please go ahead.

Nirav Jimudia: Sir, first is on our volumes for ammonium sulphate and ammonium sulphate phosphate. So last time when we interacted, you tell us on the conference call that our expected volumes for FY '26 would be close to around 10 lakh tons as against 11.5 lakh tons, which we have clocked in FY '25. So, since we have already done 650,000 tons of volumes in first half, are we revising that guidance in terms of the production and sales volume for both these grades?

S.K. Bajpai: Actually, total volume may be 6.55 lakhs tons. But in the last quarter, there was urea revamp. So availability of urea was lesser. And ammonium sulphate and ammonium phosphate

sulphate, the production is continuous. I don't think any lesser capacity utilization is there. However, Mr. Varma the ED Marketing will give more justification on that.

Sanjeev Varma: You are talking about overall...

Nirav Jimudia: Yes, yes. So even if you can guide for both these grades of fertilizer, what we are expecting for this financial year and also for Q3, that would be very helpful.

Sanjeev Varma: Actually if you see the overall fertilizer, next quarter, we are expecting this quarter, Q3, again, 5.5 lakhs tons to 6 lakhs tons this thing. But Q4 is again a lean season for fertilizers. And that is what we will be we have been a little conservative on that thing. But we are trying to see that our plants are running completely on 100%.

Nirav Jimudia: Okay. Okay. Because, sir, last year, Q4, we did close to around 350,000 tons of manufacturing volumes. So safe to assume that the number would be closer to that 350,000 tons in Q4?

Sanjeev Varma: Yes, yes.

Nirav Jimudia: Correct. Correct. Also, sir, this improvement in profitability on a sequential basis, though on a Y-o-Y basis, it is down on a per ton basis for Fertilizer segment as a whole and you rightly explained because of the increase in the raw material cost. So since the subsidy rates have been revised upwards for phosphoric for the P grade, are we expecting some improvement in the margin for Q3? Or should the similar number holds true for Q3 also?

S.K. Bajpai: There will not be much variation because only 10% phosphorus and sulphur content is increased. So that around 5% to 7%. 7%, in case of DAP increase, which is not a very big increase. However, if you see the prices of phosphoric acid has increased 20% and sulphur, you know that it is 150%. So we are commissioning Sulfuric Acid V project.

So, sulfuric acid will be available for production of ammonium sulphate and ammonium phosphate sulphate in Vadodara complex. So that will give some type of relief while the increased price of sulfuric acid and sulphur. So that may have a positive impact on the profit margins of the ammonium sulphate and ammonium phosphate sulphate.

Nirav Jimudia: Correct. And sir, on the trading side, when we see our volumes, predominantly on the P&K side, like we did close to around 1,07,00 tons of volume. So was it more of the DAP side where government is compensating close to around 5% of the MRP as fixed margins to the players so that we can keep on importing the DAP? So is this because of the higher DAP volumes in the trading side?

S.K. Bajpai: Yes, you're right that around 1 lakh metric ton and over 1 lakh metric tons, we have imported DAP and government prescribed 4% return on the MRP. So that is a secure business. So we imported and to make DAP available in the Indian market, Indian farmers, we imported mainly DAP during the last quarter.

Nirav Jimudia: Correct. And sir, the sales guidance of this 5.5 lakhs ton to Rs.6 lakhs ton what you mentioned for Q3 also includes our trading volumes, right?

S.K. Bajpai: Yes.

Nirav Jimudia: Got it. Got it. Sir, second question is on, let's say, based on our current production of AS, ASP and let's say, the smaller amount of DAP, what we produced. Can you help us understand how much is our annual requirement for ammonia, phos acid and sulfuric acid?

S.K. Bajpai: See, in case of our Sikka unit, we need around 3 lakh ton to 3.5 lakhs ton PA solution for running the plant at 100% capacity, the way we are running today and around 1.5 lakh tons of ammonia.

Nirav Jimudia: Okay. And Baroda complex, sir?

S.K. Bajpai: Baroda, we have our own manufacturing. So we are producing, we have been manufacturing PA and ammonia both here. So it's there. And we are not dependent on anybody here.

Nirav Jimudia: Correct. Correct. And sir, this improvement in industrial products, what you mentioned in your opening remarks, we had done some ammonia trading also, and from last one month, we have seen a substantial increase in the ammonia prices.

So last quarter, you mentioned that we did something around Rs.20 crores of profits through ammonia trading in first

quarter. So if you can also help us to understand what was this number for Q2? And how we are seeing Q3 because of this increased ammonia prices?

S.K. Bajpai: No, our mainly long-term contracts for ammonia is based on the imported price plus delta. So whatever the increase in the price will not impact the margins in the ammonia trading. And we are continuing the ammonia trading from the Sikka Unit, whatever imports of ammonia we are doing for our consumption, along with the volume for the trading we do it from Sikka Unit. So, I don't think that there will be much impact on our margins due to the price hike of ammonia.

Nirav Jimudia: Right. Any numbers you can quote for Q2 in terms of profitability from ammonia trading out of this Rs.53 crores what we have reported for Q2?

S.K. Bajpai: No, this Rs.53 crores is not only from the ammonia. The major part of the profitable product is HX Crystal, which we are producing in the Baroda complex and it comes under the IP segment. So the HX Crystal is a good product where the intermittent product HAS of caprolactam product is diverted to the manufacture HX crystal.

So that new plant has started the production, and we are getting a good margin on that. So caprolactam is not that much profitable because of the international prices of the caprolactam are squeezing to a bottom-line level. So we are producing and concentrating on other products like HX Crystal. So ammonia trading is one part of the IP segment,

but there are some more activities for improving this IP segment results.

Nirav Jimudia: Just to add here, like what's our current capacity of HX plant and what rate we are operating currently?

S.K. Bajpai: Capacity is 9,000 metric ton per annum. We are having two plants, HX Crystal 1 and HX Crystal 2. Both together, the capacity is 9,000 metric ton per annum. Our pricing, I would not like to share because it is a very sensitive pricing.

Nirav Jimudia: So it is operating at full?

S.K. Bajpai: Yes, it is operating at full capacity, sir.

Nirav Jimudia: Correct. Sir, last question from my side. Sir, we have already completed our urea revamp project, I think, sometime in June 2025. So have we seen the benefit in terms of improvement in profitability? Last time you touched upon that we are in discussions with the government in terms of reimbursement of the cost what we have incurred for this. So any thoughts here?

Also, if you can share like any discussions with the government in terms of the fixed cost reimbursement like since it is pending since long. So if you can just touch upon both these aspects that will be very helpful.

S.K. Bajpai: Yes. Urea revamping project, as you rightly said, has cut down the steam consumption. And the government has still not fixated the subsidy. So it is under consideration of the government, and they will provide something whatever the

rate they are fixing for GSFC, for subsidy reimbursement. And we have already requested government to consider this return on net worth, what we have incurred the capital cost for the revamping project.

So it is under consideration on government. Second, fixed cost, it is also going on from the government level, and we have represented and given our fixed cost expectation and they are in dialogue with all the companies, not only from GSFC. So in fact, after a few days only we are having a meeting with the government to represent our case what is the fixed cost we are incurring.

Moderator: Thank you. The next question is from the line of Saket Kapoor. Please go ahead.

Saket Kapoor: Sir, in the case you alluded in your opening remarks that this has been the best quarterly performance for us. So going ahead, sir, how you are seeing the profitability will shape up for the second half? And how will the demand for the Rabi season will be there as the water reservoir levels are at an optimum level?

S.K. Bajpai: The fertilizer demand is always there. There is no problem. There was some heavy rains in some pocket of India. But barring that, our business is distributed in 15 states. So we strategize placement based on that thing. So it is not impacted and we are small in fertilizer compared to the overall requirement. So business is not much affected.

And as far as profitability of the current quarter is concerned, so whatever measures we have taken for cost optimization and like urea revamping and putting the solar plants and all other measures what the company has taken. So this is not a one-off its kind, but it will continue for a longer period. So I think this profitability will continue. There is no hindrance I am just now foreseeing for the next quarter or coming quarter and years.

Saket Kapoor: Okay. Sir, and what have we factored in, in terms of the subsidy received for this quarter?

Sanjay Bajpai: Subsidy received during the quarter?

Saket Kapoor: Yes, sir. And also that, the one which has been shared with the revenue from operations?

Sanjay Bajpai: Actually, subsidy disbursal is not the problem for us and the government reimbursed the subsidy very quick. So up to the last week of the last month, we have received the subsidy. Subsidy received during the quarter 2 is Rs.1,176 crores.

Moderator: There's a follow-up question from the line of Nirav Jimudia from Anvil Wealth.

Nirav Jimudia: Yes, sir, just a follow-up. Sir, since we are starting our sulfuric acid plant in Q3 with a capacity of 198,000 tons, would there be any surplus sulfuric acid available with us to sell in the open market?

Sanjay Bajpai: No. We may not sell in the open market because we need in Sikka also it's completely based on financial things we'll take

the decision, but we can send it to Sikka because we need sulfuric acid there also.

Nirav Jimudia: Correct. Okay. And sir, with this expansion, if you can just help us understand like what is our current capacity of sulfuric acid at both the units also for ammonia and phosphoric acid?

Sanjay Bajpai: Ammonia is 1,350 metric tons per day which means it is around 4.4 lakhs tons. And current sulfuric acid 5.77 lakhs metric ton per day, ammonia is at 4.45 lakhs ton. And in case of phosphoric acid, we have here 60,000 metric ton only capacity.

Nirav Jimudia: Correct. Correct. And this 450,000 tons of capacity for phosphoric acid, what you mentioned, is that capacity operating at full because then we would be required raw.

Sanjay Bajpai: We are talking sulfuric acid. Both are different, Nirav. I think the sulfuric acid, we have 5.7 lakh tonnes capacity here in Baroda unit. We are adding 1.8 so it will be 7.5 approximately. And in case of phosphoric acid, we have only 60,000 capacity approximately in Baroda, not more than that. Ammonia also 4.45 lakhs in Baroda. In Sikka, we don't have any capacity there for production. It's completely imported.

Moderator: There is a follow-up question from the line of Saket Kapoor.

Saket Kapoor: Sir, the first point was about the Industrial Chemicals segment. As you mentioned that we have taken necessary steps to improve the profitability. And you did mention

about one of the components of the intermediate products that we are selling to avoid dumping more of caprolactam. So how do we see this segment performing for the remaining half of the year?

Sanjay Bajpai: It will continue as it is, I think, because the HX crystal plant is running at full capacity, and there is no much change in the margins and sales of HX sulphate. But it all depends on the caprolactam benzene spread. If it improves, then further, there will be improvement in the margin of IP segment.

Other than that, there is a melamine product where the sales realization in India is not that great if you compare it with the export sales. So we have increased the export side of the melamine. So we are realizing at least 20% higher sales price by exporting the melamine. So that is one more factor, sir, that improves the IP segment margins.

Saket Kapoor: But sir, if you take the granular details of we did industrial products revenue of Rs.618 crores for the quarter and our PBT comes out at Rs.54 crores. So as you mentioned that the contribution has been from HX crystals and melamine. Can you further split into what are the major components to this profitability, which have contributed to the profitability?

Sanjay Bajpai: Main is the ammonia trading actually, whatever ammonia we are trading, it comes in the IP segment. Exact number it is difficult to share, but there are 3, 4 factors I have narrated. One is the HX crystal, one is ammonia another one is ammonia trading. Third is melamine export, we have started,

so there is better realization. All these factors coming together improves the margins of the IP segment.

Saket Kapoor: Okay. And what would be the ballpark contribution from ammonia trading and this activity we are going to continue going ahead?

Sanjay Bajpai: Yes, yes. This is long-term contract actually. So whatever import price is there, I have narrated earlier with some delta, we are providing ammonia to the corporate. So this will continue.

Saket Kapoor: Okay. Sir, can you give a color on the contribution for this quarter or for the first half?

Sanjay Bajpai: Contribution of which?

Saket Kapoor: Profitability from the trading of ammonia under the industrial products segment.

Sanjay Bajpai: Just now it is difficult for me to share the contribution and individual product contribution. So we will discuss some other time regarding these details because it is price sensitive to the market. We would not like to disclose it just now.

Saket Kapoor: But there are factors in continuity that will allow us to create these margins in the trading business going ahead also? Or this is any one-off period that we are enjoying this facility?

Sanjay Bajpai: No, no, this will continue. As I have narrated that it is import price plus delta. So it is a term contract. So that margin will always be available till the time our contract is there with the

corporates. And we are supplying ammonia with the same margin.

Saket Kapoor: Sir, now coming to the capex part. What have been the capitalization for the first half? And sir, going ahead, our capital work in progress closing balance is Rs.413 crores. So if you could just give some color which projects you will be capitalizing for the second half?

Sanjay Bajpai: Second half is sulfuric acid V project, which is slated to be commissioned just within a month or so. So that work in progress must be lying in the capital work in progress. But apart from that, there is no major project to be capitalized in the near future. We have just started this in Sikka DAP trend to be converted for or having an additional facility to produce NPK grade of fertilizers. So that there is no much expenditure till now. But other than that, capital work in progress does not have much pending capital to be capitalized.

Saket Kapoor: Okay. And sir, lastly, there were news of fertilizer shortages, especially with the urea part for the last the kharif season. So what is the current status of the same? And how you see the Rabi season preparation in terms of the shortages or the issues faced by the farmers with respect to the availability of fertilizers?

Sanjay Bajpai: See, the Rabi will be good. Government has done great work by arranging for imported DAP and urea in time. So I don't think there will be any issues for any fertilizer in the Rabi.

Saket Kapoor: Okay. And sir, there have always been a land effect in terms of getting the price revision, as we have already mentioned. So where are we in terms of the raw phosphate -- sulfate prices and the RM prices and finished prices for the DAP? So are there any revision pending?

Sanjay Bajpai: No. No revision pending as of now.

Saket Kapoor: Okay. And what has been the impact of last revision, sir? That could have taken place when?

S V Varma: I think NBS has recently been done. So there is change in the subsidy for all the products for NPK fertilizers. As Mr. Bajpai said it is a down from 7% to 1% based on different proportion. So nothing is pending as such and market is going clear on that.

Saket Kapoor: Okay, sir. And sir, traditionally, Q2 -- Q3 is a lean quarter for this fertilizer segment, sir? And Q2 is...

Sanjay Bajpai: Q3 is a good season always. Rabi comes in Q3 only. Yes, Q4 becomes lean season for fertilizers.

Saket Kapoor: Okay. If we take, we are already 40 days into the quarter. So depending upon the requirement and the business environment, we see a sustainable growth in the sales for this season also, for quarter 3?

Sanjay Bajpai: Q2 was again a good season. Q3 is always good. So they will be in line. It's again dependent on the availability of the fertilizer because imports -- there will be a proportion of

import also. So it'll be a good season for Q2, Q3 normally good for the company.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. S.K. Bajpai from GSFC Limited for closing comments.

Sanjay Bajpai: Yes. Thank you, investors, for participation in this conference call organized by Anurag Services. I hope that whatever questions have been asked, we would have given the satisfactory reply. And again, thank you for your participation. We'll meet again after three months after the end of quarter 3. Thank you very much.

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