

Date: 19.05.2025

To,

National Stock Exchange of India Ltd.

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E)  
Mumbai - 400 051

Dear Sir / Madam,

**Subject: Transcript of Q4 FY25 Earnings Conference Call**

Pursuant to Regulation 30 and 46 read with clause 15 of Para A of Part A of Schedule III of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the transcript of Q4 FY25 Earnings Conference Call organized by the Company on May 13, 2025 at 5.30 P.M. (IST).

The Transcript of the same is available on Company's website at following link  
<https://www.mbapl.com/wp-content/uploads/2025/05/Q4-and-FY25-Earnings-Conference-Call.pdf>

Kindly take the above-information on records.

Yours faithfully,

**For Madhya Bharat Agro Products Ltd**

**(Pallavi Sukhwal)**  
**Company Secretary**

**Madhya Bharat Agro Products Limited**  
**Q4 and FY25 Earnings Conference Call**  
**May 13, 2025**

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**Moderator:** Good evening, ladies and gentlemen. A very warm welcome to the Q4 and FY25 Earnings Conference Call of Madhya Bharat Agro Products Limited.

From Senior Management, we have with us today,

- Mr. Pankaj Ostwal, Promoter & Director
- Mr. Sourabh Gupta, Whole-Time Director & Chief Financial Officer
- Mr. Mcenro Samdani, Consultant - Strategy & Investments.

As a reminder, all participant line 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 '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mcenro Samdani. Thank you and over to you, sir.

**Mcenro Samdani:** Thank you Sejal. Good evening, everyone and welcome to the earnings call of Madhya Bharat Agro Products Limited.

Before we begin the call, I would like to mention that some of the statements made during today's call might be forward-looking in nature, and hence it may involve risk and uncertainties, including those related to the future financials and operating performances. Please bear with us. If there is a call drop during the course of the conference call, we would ensure the call will be reconnected the soonest.

I would like to hand over the conference to Mr. Pankaj Ostwal, Managing Director. Over to you Pankajji.

**Pankaj Ostwal:** Thank you very much sir. Good evening, everyone, and welcome to the fourth quarter and full year earnings call for FY25 of Madhya Bharat Agro Products Limited. A company belonging to Ostwal Group of Industries and one of the leading prosthetic fertilizer company. As you are aware, we are expanding our footprint in product as well as area of operations since its takeover in 2004 by Ostwal Group. I will start giving with a brief on the industry scenario, followed by company's performance and question & answer session.

In FY25 phosphatic fertilizer industry volumes, excluding MOP, grew by 7.5% on YoY basis. Overall, the growth was driven by NPK grades, at the same time Madhya Bharat Agro Products Limited recorded much higher volume growth of 17% for FY25. We have consistently outgrown the industry demand.

**Financial and operating performance for the quarter ending 31st March 2025:**

Starting with the quarterly financials:

- Revenue stood at Rs.297 crore, reflecting a robust 103.7% YoY growth and a 4.6% increase sequentially.
- EBITDA stood at Rs.36 crore, registering a strong 155.3% YoY, with a healthy margin of 12.1%.
- Profit After Tax stood at Rs.14 crore, recording a 984.6% YoY growth, and PAT margin for the quarter stood at 4.8%.
- EBITDA per ton during the quarter was Rs. 4,698, reflecting our continued operational efficiency.

Now moving to the quarterly operational performance:

- We saw strong fraction in SSP with sales of 39,723 metric tons, delivering a 21.2% YoY growth. We also saw a significant improvement in capacity utilization for SSP, which rose to 79% up from 65% in the same period last year.
- On the other hand, NPK/DAP sales of 36,909 metric tons, with 42.3% YoY growth.

**Financial and operating performance for the full year ending 31st March 2025:**

- Revenue for the year was Rs.1,059 crore, up 29.7% YoY compared to Rs.817 crore in FY24 supported by strong market demand and improved SSP volumes.
- EBITDA stood at Rs.146 crore, registering a 51.4% growth YoY, with a stable EBITDA margin of 13.7%.
- PAT for the full year came at Rs.57 crore, a strong 132% YoY increase, with a PAT margin of 5.4%.
- EBITDA per ton for the full year was Rs.4,287, reflecting consistent operational efficiency.
- Outstanding subsidy receivables as of 31st March 2025 were ~Rs.127 crore compared to Rs.77 crore on 31st December 2024 and Rs.106 crore on 31st March 2024.
- Net debt as of 31st March 2025 stood at Rs.307 crore, compared to Rs.278 crore as on 31st March 2024, reflecting the continued investment in our growth initiatives.
- We command a lion market of 9% and 19% in Madhya Pradesh and Chhattisgarh for SSP respectively.

Now moving to full year operational performance:

- SSP sales stood at 1,83,028 metric tons, a 12% increase YoY, compared to 1,62,970 metric tons in FY24 and SSP utilization at 73% utilization.
- NPK sales surged to 1,56,346 metric tons a 22% increase from 1,27,648 metric tons in FY24. While NPK/DAP utilization improves significantly, rising from 53% to 64% which shows stabilization on expanded capacity undertaken in-house during the past five years.

**On raw material price scenario:**

On raw material price movement, it has been mixed. Sulfur prices have doubled over previous year because of volatile global demand, but ammonia and phosphate prices are softer and stable. The government has increased price concessions for Kharif 2025 to cover the increasing raw material cost, since we mainly sell NPK and SSP, I would like to give some color on price concessions increase for these products. The increase was around 42% for SSP and 18% in NPK over the previous cycle.

**New Product Launches and Updates:**

- We are excited to announce the launch and relaunch of key products in our portfolio: Annadata Urea SSP, a combination of Urea and SSP for holistic crop nutrition; Annadata Super 6, enriched with Zinc, Boron, and Magnesium for enhanced soil health; and Annadata Zibo, fortified with Zinc and Boron to address nutrient deficiencies
- These new offerings reflect our commitment to meeting the evolving needs of farmers and reinforcing our leadership in fertilizer markets since value added nutrient has good demand, we expect good response and expect handsome addition in profit.

**Expansion plans:**

We recently expanded phosphoric acid at Sagar, Madhya Pradesh in March 2025. With this, our phosphoric acid capacity has increased to 69,000 metric tons. The benefit of this expansion will be recorded in FY26 in bottom line.

Our major expansion plan of Maharashtra, announced last year is on track. Just to refresh, we are coming up with 3,30,000 tons of DAP/NPK plant at Dhule in Maharashtra by October 26. This plant will be having captive raw materials feed manufacturing capabilities of phosphoric acid and sulphuric acid. The total capex for this plant is Rs.550 crore, for which Rs.202 crore term loan is sanctioned by banks for the first phase of capex of Rs.350 crore.

To add to above, recently in this month, we even announced expansion of sulphuric acid capacity by another 1,65,000 tons at Sagar, Madhya Pradesh for a CAPEX of Rs.100 crore, which should be operational by March 26. The above CAPEX will be funded with a mix of debt and

equity. In addition, we are in continuous lookout to increase capacities by debottlenecking existing facility.

**Growth outlook:**

We are optimistic about FY26 and beyond, driven by both recent capacity additions and strategic expansion initiatives. As a group, we do implement various marketing strategies. Our recent additions of some of the products in our portfolio is key to our commitment to meet new demand of the products. We believe that NPK and SSP will remain key to the growth of phosphatic fertilizers. We will continue to keep focus on these products for FY26 currently, the commissioning of our expanded phosphoric acid plant at Sagar, Madhya Pradesh in March 2025 will enhance our health sufficiency, leading to better cost efficiencies and improve margins starting FY26. We expect to see tangible benefits from this investment, and accordingly we are guiding for a robust 15% growth in revenue with better profitability in FY26. This growth will be supported by continued demand for our flagship products like NPK and SSP, operational efficiencies and improved capacity utilization across our plant.

Additionally, our announcement to further expand sulphuric acid capacity at Sagar, by 1,65,000 to be operational by March 2026 underlines our commitment to backward integration and values and resilience. These strategic investments combined with a focus on debottlenecking existing capacities and launching farmer centric products, reaffirm our long-term growth vision. We are confident that these efforts will not only sustain our leadership position in core market, but also unlocks new avenues for growth, scale and profitability. Looking further ahead, our Greenfield project in Dhule, Maharashtra a 3,30,000 tons of DAP/NPK plant equipped with captive phosphoric acid and sulfuric acid unit, setup is progressing as planned, and is slated to commission by October 2026. This facility is expected to significantly enhance our production capabilities and market reach setting a strong foundation for acceleration growth in FY27 and beyond.

We continuously work on optimizing our manufacturing processes and improve technology to enhance our efficiencies and production. Our years of experience, along with technology eased us with one of the best cost metrics for manufacturing. To push new capacities, we already strengthen our marketing team and have invested good amounts in R&D to ease persistable improvement in efficiencies, including better improved products. We have broad based our funding partners including SBI, who shown appreciable interest in our expansion. Our rating agency continues to have faith in our capabilities. I would like to end my opening remarks with this and open to take up the questions from the participants. Thank you very much.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Jash Nahata from Anand Rathi. Please go ahead.

**Jash Nahata:** Sir your working capital days, your cash conversion cycle has been improved significantly for over the past years. Is it going to stay that way?

**Pankaj Ostwal:** Yes, definitely we are working on it to improve our working capital cycle, and definitely we look forward to have better working capital cycles in coming quarters and coming years.

**Sourabh Gupta:** Specifically, working capital has improved because our holding levels of raw materials and finished goods, in absolute terms, remain the same. So, any improvement in capacity utilization will lead to a better working of the cycle.

**Moderator:** Thank you. The next question is from the line of Raghav Nathani from Bajrang Medical. Please go ahead.

**Raghav Nathani:** Sir my question is regarding the increased subsidy from the government which recently has been announced. So, going forward will we see any improvement in the margin because of this increased subsidy?

**Pankaj Ostwal:** No, what happens is, whenever the government increases or decreases the subsidy, it depends on the cost of the product. There is a formula already prevailing in the ministry for calculating the NBS — Nutrient Based Subsidy amount, and it is done every six months, on the 1st of April and the 1st of October. What has happened is, the prices of raw materials have increased, and that is why the subsidy has been increased. If the prices go down or up, the subsidy also goes down or up. This is how it works.

**Raghav Nathani:** Okay, sir. So basically, we will see, at least we will see whatever margins you are working on being stable in the next financial year?

**Pankaj Ostwal:** Yes, definitely. There is no issue with margins, and as we improve our production in the coming year, the margins in percentage terms will definitely remain the same or may slightly improve but profits will definitely improve.

**Raghav Nathani:** And sir what kind of growth we can expect in the coming financial year, in terms of the turnover?

**Pankaj Ostwal:** In terms of turnover, I have already mentioned that we are expecting around 15% growth this year and for the next year once our plant at Dhule, Maharashtra becomes operational, the full-scale operations of that plant will contribute to revenue, which will need to be calculated accordingly.

**Raghav Nathani:** Thankyou sir

**Pankaj Ostwal:** Thank you very much.

**Moderator:** Thank you. The next question is from the line of Mahantesh from Man Industries. Please go ahead.

**Mahantesh:** Just if you can repeat about that subsidy decision is mentioned about?

**Pankaj Ostwal:** Subsidy increase or decrease?

**Mahantesh:** Yes, the impact on your financials, just to get the point.

**Pankaj Ostwal:** So, what happens is, I'll explain it again. Whenever there is an increase or decrease in raw material prices, the government either increases or decreases the subsidy, or we adjust our MRP, either by increasing or reducing it. What has happened in the last six months is that raw material prices have increased, so the government has increased the subsidy accordingly. This way, we don't need to increase our MRP, because the government's objective is to ensure fertilizers are available to farmers at reasonable prices. There is also a formula in the Ministry of Fertilizers which is monitored regularly. Based on that, the nutrient-based subsidy amount is calculated for individual nutrients — NPK — and that's how the subsidy is calculated.

**Mahantesh:** How does the profitability get impacted, it will be 1:1 ratio or it will depend on the cost structure?

**Pankaj Ostwal:** Just to clarify, subsidy is not the profit.

**Mahantesh:** How does it impact your profitability?

**Pankaj Ostwal:** No, normally it doesn't directly impact profitability. What happens is, the total revenue, which includes both the selling price paid by the farmer and the subsidy received from the government, covers the cost of goods sold and ensures a reasonable profit. So, the subsidy itself is not profit, it just supports the pricing structure.

**Mahantesh:** Okay. So, subsidy has nothing to do with your profitability?

**Sourabh Gupta:** Subsidy is basically price compensation. When input costs increase, the government offsets it by increasing the subsidy, which is technically price compensation.

**Mahantesh:** That's true, but the cost structure will vary from company-to-company, there is some variation. So that's where one company will certainly do better than other, right?

**Sourabh Gupta:** Yes, cost structures do vary. But the government takes a broader, pan-India view when determining subsidy levels.

**Mahantesh:** So, that's what I am trying to convey, the company is slightly more efficient, will do better in terms of.

**Sourabh Gupta:** It's not just about efficiency. Yes, efficiency does play a role. But at the same time, location and other operational aspects also play a major role. You have pointed out correctly. If efficiencies are better, the profits may be comparatively better than the industry. You are right.

**Mahantesh:** One look at the capital company, each company valuation varies from company-to-company. So, some fertilizer companies get a better valuation maybe due to better efficiency that they are operating that is what I am trying to understand.

**Pankaj Ostwal:** If you look at our results, you'll see that compared to other companies, we've performed better. One key reason for that is we have a rock phosphate beneficiation plant. So, at any point in time, we have that edge over other manufacturers — because in India, there are no other rock phosphate beneficiation manufacturers. That's an important factor, and it plays a key role in our profitability.

**Mahantesh:** Okay. Now, due to geopolitical implications, is there any curtailment or change in raw material imports for different companies, especially because of the war, or issues with Pakistan, Turkey, or any other supply chain challenges the industry might face?

**Sourabh Gupta:** No, raw material is coming from Pakistan or Turkey. All the raw materials come from Egypt, Jordan, Qatar, Morocco, and similar countries. So, there is no issue of geopolitical tensions affecting raw material or finished goods supply. Definitely, there could be some fluctuations in shipping freight costs, they may increase or decrease. But as an industry, we keep monitoring this, and we are focused on keeping shipping freight costs under control. Managing these costs is a continuous part of the business.

**Moderator:** Thank you. The next question is from the line of Puja, who is an Individual Investor. Please go ahead.

**Puja:** Congratulations on crossing the Rs. 1,000 crore mark. My question is, do you have any plans to fund the expansion through equity?

**Pankaj Ostwal:** We have already approved that QIP is underway. We hope that we may be able to achieve our QIP targets most probably in this quarter, let's hope, we are keeping fingers crossed because already the market is volatile, and we are looking forward to have good QIP on the board.

**Sourabh Gupta:** But in any case, even if QIP does not take place, the company has internal accruals adequate to take care of the expansion. So, expansion will be on the line on the date September 26th we will be on stream whether QIP comes or does not come.

**Puja:** Okay. So, my next question is, what type of trading activity is undertaking in your company?

**Sourabh Gupta:** Look, Ostwal Group has almost 1.1 million tons of phosphatic fertilizer capacity, for which we require a large amount of rock phosphate. As a group, because we have an agreement for

importing rock phosphate, to achieve economies of scale, often one company imports a shipload of rock phosphate, and then it is allocated and supplied to the other group companies as needed. This type of trading activity is considered trading, and it benefits the group as a whole. We undertake this, but it is done at arm's length and purely on commercial terms. Sometimes, we also import MOP, which is necessary because potash is not manufactured in India and is entirely imported. Since last year, the Government of India has permitted private players to import it. So, whenever the opportunity arises, we import MOP and sell it directly. These are the limited trading activities we undertake.

- Moderator:** Thank you. The next question is from the line of Raj from Arjav Partners. Please go ahead.
- Raj:** Once we expand the capacity in October 2026, sir how much volume growth are we anticipating in full year FY27?
- Sourabh Gupta:** In FY27, we will have half-year contribution, and since the plant is recently set up, we estimate only 40% capacity utilization. So, we will be adding around Rs.400 crore worth of turnover.
- Raj:** Additional turnover in FY27 from the new plant?
- Sourabh Gupta:** But full-year contribution will be in FY27–28. While we have projected capacity utilization of 50%, based on our experience and past sales, we internally expect that utilization should cross 60%.
- Raj:** 60% will be in FY27 itself, right?
- Sourabh Gupta:** Yes, FY27-28.
- Raj:** Okay.
- Sourabh Gupta:** If it goes to 60%, it is almost 2,00,000 tons, and it will add more than Rs.800 crore in turnover.
- Raj:** Alright. Sir at peak, this plant can give us an incremental phase of around Rs.1,000 crore, right?
- Pankaj Ostwal:** Approximately.
- Raj:** So, at peak the new plant can generate around ₹1,000 crore, and for FY27 we're expecting around ₹400 crore in sales contribution from it?
- Sourabh Gupta:** Yes.
- Raj:** Alright. And sir, you commented on FY26 sales growth. Do you want to comment on the EBITDA, because if I look at your peers, EBITDA margin is 2% to 3% higher than your peers. What is the reason for that?

**Sourabh Gupta:** Historically, our company has had better EBITDA margins. As we've explained earlier, one key reason is the BRP where we use local low-grade rock phosphate, and that significantly reduces SSP production cost. Other reasons include our operational efficiency, low CAPEX, and low OPEX. For example, the Madhya Pradesh project, where we implemented 2,40,000 metric ton of NPK capacity, had a total project cost of under Rs.200 crore. and anybody who is setting up projects elsewhere, the project cost is Rs.800 crore. So, all these factors, our efficiency, as I mentioned earlier, the procurement of raw material at the group level, our ability to bargain all these sectors put together give us an edge and we have better EBITDA.

**Raj:** Alright. So in FY26 also are we expecting a similar EBITDA or are we expecting an increase or decrease in EBITDA?

**Sourabh Gupta:** Similar, no decrease we will maintain it. Rather, we expect that there must be some improvement with our efficiency.

**Mcenro Samdani:** Just to add, one of the key reasons for the better margins — as Sourabh ji mentioned — is backward integration. We are 100% backward integrated. Even our phosphoric acid is completely manufactured in-house. Many of the peers you may be comparing us with are not fully backward integrated. That's a key reason we have a better margins in terms of percentage as well.

**Raj:** Understood sir. Thankyou

**Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. Mcenro Samdani for closing comments.

**Mcenro Samdani:** Thank you once again, everybody for joining us. If you have any further questions, please don't hesitate to reach out to our Investor Relations team. Thank you and have a great day.

**Pankaj Ostwal:** Thank you very much.

**Moderator:** Thank you. On behalf of Madhya Bharat Agro Products Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

**Disclaimer:** *This transcript has been refined to improve clarity, ensure readability, and maintain financial accuracy.*