



SHREE PUSHKAR CHEMICALS & FERTILISERS LTD.

CIN: L24100MH1993PLC071376

(A Government of India Recognised Export House)

An ISO 9001:2015 & 14001:2015 Certified Company

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Date: 19th August, 2025

National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 Scrip Symbol: SHREEPUSHK	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001 Scrip Code: 539334
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Dear Sir/Madam,

Subject: Transcript of Analyst/Investor Conference Call held on 13th August, 2025

Pursuant to Regulations 30 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to our letter dated 6th August, 2025, intimating you about the earning conference call for Q1FY2026 with Analysts/Investors held on 13th August, 2025, please find attached herewith the transcript of the aforesaid conference call.

The above information is also available on the website of the Company at <https://shreepushkar.com>.

This is for your information & record.

Thanking you.

Yours faithfully,

For Shree Pushkar Chemicals & Fertilisers Limited

Pankaj Manjani

Company Secretary & Compliance Officer

Place: Mumbai

Encl.: as above



• Speciality Textile Dyes

.....Stable, Sustainable & Smart Chemistry Company.....

• Dyes Intermediates

• Acids

• Power

• Animal Health & Nutrition

• Fertilisers

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“Shree Pushkar Chemicals & Fertilizers Limited Q1 FY26 Earnings Conference Call”

August 13, 2025



**MANAGEMENT: MR. PUNIT MAKHARIA - CHAIRMAN & MANAGING
DIRECTOR, SHREE PUSHKAR CHEMICALS &
FERTILIZERS LIMITED
MR. DEEPAK BERIWALA - CHIEF FINANCIAL OFFICER,
SHREE PUSHKAR CHEMICALS & FERTILIZERS LIMITED
MR. PANKAJ MANJANI - COMPANY SECRETARY &
COMPLIANCE OFFICER, SHREE PUSHKAR CHEMICALS
& FERTILIZERS LIMITED**

Moderator: Ladies and gentlemen, welcome to Shree Pushkar Chemicals and Fertilizers Limited Q1 FY26 Earnings Conference Call.

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

Before we begin, I would like to remind all participants that some of the statements or comments made on today's call may be forward-looking in nature. These may include but are not necessarily limited to financial projections or other statements of the Company's plan, objectives, expectations, or intentions. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments. Kindly refer to slide number 15 of the earnings presentation for a detailed disclaimer.

I now hand the conference over to Mr. Pankaj Manjani – Company Secretary & Compliance Officer of Shree Pushkar Chemicals and Fertilizers Limited. Thank you and over to you, sir.

Pankaj Manjani: Good afternoon, everyone and we welcome all the participants to Shree Pushkar Chemicals and Fertilizers Limited's Q1 FY26 Earnings Call.

Joining us today from the Management Side, we have Mr. Punit Makharia – Chairman & Managing Director; Mr. Deepak Beriwal – Chief Financial Officer.

Now I will hand over the call to Mr. Punit Makharia for his opening remarks. Over to you, sir.

Punit Makharia: Thank you, Pankaj. A very good afternoon to all the friends and I welcome to Shree Pushkar Chemicals and Fertilizers Limited's Q1 FY26 Earnings Call.

I hope you had an opportunity to go through our financial results and investor presentation which are available on the exchange as well as on our Company's website. Friends, joining me today from the management side is Mr. Deepak Beriwal – our CFO.

As we begin FY26, I am pleased to report that Shree Pushkar Chemicals had a strong start for the year in Q1 FY26. The Company delivered strong performance across both chemical as well as fertilizer segments. Revenues from operations worth Rs. 254.5 crores in Q1 FY26, reflecting strong growth of 31.1% year-on-year on sequential increase of 16%. This performance was primarily driven by fertilizer segment which has been benefited from strong demand in the agriculture sector. Despite some volatility in the chemical market, our continued focus on cost optimization and improved realization has helped to mitigate challenges and maintain strong financial results. Friends, looking at the industry trend, the demand for fertilizer has remained positive with agriculture output in key markets continuing to show growth. Fertilizer being an essential part of the farming ecosystem, continued to benefit from favorable government policies and initiatives aimed at improving agriculture productivity.

Our fertilizer segment has been particularly strong and volume growth is by 9.4% year-on-year basis and 27.1% on quarter-on-quarter basis. As we capitalize on rising demand, this has resulted a 33.4% year-on-year and 46.8% quarter-on-quarter increase in revenue for the fertilizer segment. On the other hand, the chemical segment faced some pressure due to fluctuating raw materials prices and demand volatility. We saw a decline in sales volume in this segment by 6.9% year-on-year basis. However, we did experience a significant recovery of 48% on sequential basis. This results our ability to manage short-term market fluctuation effectively and continue to optimize our operations. The recovery in the volume was mainly driven by a favorable shift in product mix and a better realization in this quarter.

One of the key operational highlights this quarter was our continued focus on capital expenditure. We have been consistently investing in expanding our manufacturing capacity and improving the overall operational efficiency across both our business segments. This quarter, our capital expenditure focused on increasing the capacity of both fertilizer as well as chemical division as we look to position ourselves to meet growing market demands more effectively. Our financial discipline remains strong and we continue to operate with a net cash positive position, backed by no-lien deposits, which provides us with the flexibility to execute our growth strategy without relying on external debt. As we continue to expand our capacity and product offering, we are confident to deliver consistent and sustainable growth across both fertilizer as well as chemical segments.

In addition to our financial performance, I would like to share an important strategic development for the Company. During this quarter, the Board of Directors has approved the incorporation of a wholly owned subsidiary that is Dyecol Color Technologies Pvt. Ltd. This subsidiary will act as a marketing arm of Shree Pushkar Dyes and Dyes Intermediates business. This move is expected to provide several strategic benefits for the Company, aligning with our broader business goals and growth strategy. The incorporation of Dyecol Color Technologies allow us to focus more intently on our Dyes Intermediates business and dyestuffs by separating the marketing function from the manufacturing. This will not only enhance our market reach, but will also allow us to tailor our marketing strategies specifically for this segment. With a dedicated subsidiary, we will be able to improve operational synergies, better streamline our marketing efforts and respond with greater flexibility and agility to the dynamic needs of the market. Furthermore, we remain focused on sustainability and energy self-reliance. We are scaling up our solar capacity with a planned 10 MW DC solar project in Nanded complementing with the existing 9.52 MW DC solar project at our Ratnagiri plant. In Q1 FY26, we also initiated to set up 1.1 additional MW DC solar plant at our Kisan Phosphates Pvt. Ltd. facility in Haryana, Hisar for captive consumption.

On the capital expenditure front, we have invested Rs. 202 crores on a consolidated basis in FY26, fully funded through internal accruals, preliminary towards expanding our chemical and fertilizer business. Rs. 13 crores of this was incurred in Q1 FY26 alone. Going forward, CAPEX will be directed towards backward and forward integration in the chemical business and diversification into complementary products in the fertilizer segment. This initiative will scale

up our production capacities, improve our operational efficiencies and strengthen our cost competitiveness.

With these developments, I continue to maintain a disciplined financial approach while positioning our long-term growth. Friends, now I hand over this call to Mr. Deepak Beriwal – our CFO, who will take you through the detailed financial performance for this quarter. Over to you, Deepak.

Deepak Beriwal:

Thank you, sir. Good afternoon everyone and thank you for joining us today. I will now take you through the Financial Performance of the Company for Q1 FY26.

Starting with the topline:

We reported a revenue from operations of Rs. 254.5 crores which represents a growth of 31.1% on a year-on-year basis and 16% on a quarter-on-quarter basis. This increase was driven primarily by the fertilizer segment which shows a strong volume growth of 9.4% year-on-year and 27.1% on a quarter-on-quarter basis. This further resulted in a revenue growth of 33.4% year-on-year and 46.8% on a quarter-on-quarter in the fertilizer segment.

On the Chemical side, while volumes declined by 6.9% year-on-year, there was a notable recovery of 48% on a quarter-on-quarter basis. This performance highlights the seasonal fluctuations in the chemical markets and our ability to navigate those fluctuations. Despite the decline in volume, revenue from the chemical segment increased by 28.4% year-on-year basis, driven by better realization. Although it shows a 6.8% decline on a quarter-on-quarter basis, moving to the margins, the gross profit for the quarter stood Rs. 83.9 crores marking a 25.7% increase from Q1 FY25. The gross profit margin was 33.0% in Q1 FY26 compared to 34.4% in Q1 FY25 and 38.8% in Q4 FY25. EBITDA for the quarter grew by 64% year-on-year and 17.9% quarter-on-quarter to Rs. 29.1 crores with the EBITDA margin expanded to 11.4% up from 9.1% in Q1 FY25. This growth was driven by the favorable product mix, particularly in the fertilizer segment as well as our focus on improving operation efficiency. Profit after tax for Q1 FY26 came in Rs. 21 crores marking a 63.2% increase year-on-year and 26.7% sequential increase. The PAT margin for the quarter was 8.2% up from 7.5% in Q1 FY25.

In terms of volume, the total sales volume for the quarter was Rs. 91,125 metric ton which represents a 6.4% increase year-on-year and a 30.1% improvement on sequential basis. The strong growth in the fertilizer segment both on year-on-year and sequential basis was the key driver of the overall volume growth.

Turning to our financial position, the Company remains in a strong liquidity position with Rs. 112 crores in non-lean deposits. These deposits continue to provide us with the financial flexibility required to fund our growth initiative without lending external debt.

To summarize, Q1 FY26 was a strong quarter for Shree Pushkar with the strong growth in both revenue and profitability. Our strategic focus on enhancing operational efficiency, expanding

capacity and maintaining disciplined financial management continues to support our growth trajectory. We are confident that we will continue to deliver sustained and profitable growth in the coming quarters.

With that, I will now open the floor for questions. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. First question is from the line of Aditya Sen from Findoc. Please go ahead.

Aditya Sen: Hi, thank you for the opportunity and congratulations on great set of numbers. Sir, my first question is that we see there is a minor dip in the volume of chemicals business, year-on-year, but the revenue has increased by 28%. So, is it because of the change in the product mix and is that number sustainable? The realization growth, is that sustainable?

Punit Makharia: It is Aditya. This is mainly because the volumes have dipped but the value has gone up. As I mentioned in my last concall also that we have started looking at an improvement into the volumes of this chemical business also and slowly and gradually business has started pumping in. Now, recently after even this America tariff also, we see that our overseas market will generate a better business than before. So, in my opinion, in future the chemical business is going to get more better results and operational efficiencies.

Aditya Sen: Okay, that's great to hear. And the second question is, what is the commission status of Unit-6 and Unit-5? When are we expecting to commission both of them?

Punit Makharia: Sir, Unit-5, we have already completed the CAPEX almost and we have already started the trial runs for Unit-5 and hopefully we will be announcing the commercial production of Unit-5 in 1 or 2 months or so. We are only waiting for our electricity, this connection load enhancement, which we are expected to get somewhere by the end of August or maybe latest by September. As soon as we get our electricity enhancement sanction, we will immediately start the commercial production of our Unit-5 and then we will announce the completion of Unit-5 expansion. As of now, we are in the trial mode of Unit-5. Now, as far as Unit-6 is concerned, Aditya, we hopefully, we plan to start our trials by the December and we think that by December 2025, we should be in a situation to start the dry trials and January, February, March of this financial year, we are giving it as a trial and the stabilization of the plant and the quality and we are quite hopeful that for the next financial year, starting from the first season of the next financial year, we should be able to penetrate into the market.

Aditya Sen: Okay, perfect. And just the last question for the time being, can you please share the capacity utilization of KPPL and MPPL, if possible?

Punit Makharia: You are talking about this particular Quarter 1?

Aditya Sen: Yes, Quarter 1.

- Punit Makharia:** Yes. It's almost 70%, Aditya.
- Adiya Sen:** Both the subsidiaries?
- Punit Makharia:** Yes, both the subsidiaries.
- Adiya Sen:** Okay, all right. Perfect. I will fall back in the queue. Thank you.
- Moderator:** Thank you. Next question is from the line of Harshil Solanki from Equitree Capital. Please go ahead.
- Harshil Solanki:** Hi, sir. Good afternoon. Big fertilizer players are increasing capacity in central India. Sir, I wanted to know how much will it affect the competitive intensity and how much will it affect Pushkar because of the new supply coming in?
- Sir, in our segment, in the segment of SSP and NPK, they are increasing their capacity in Central India. Rajasthan, Madhya Pradesh, UP. They are increasing their capacity.
- Sir, how much will it affect us? The supply is increasing in our region. So, how will we deal with it as there is increase in the competition?
- Punit Makharia:** Fertilizer is such a segment that the location has a big impact in every pocket. Okay, sir. Now, if you tell me where and whom you are talking about, I will try to address your question properly. Now, suppose you say that there is a big fertilizer that is increasing its capacity in its product, now, sir, tomorrow someone is coming to eastern India, someone is coming to southern India. So, it doesn't make any difference to me. Now, if you say that Sir, which location are you talking about?
- Harshil Solanki:** Yes, specifically, there is Coromandel, which is in Uttar Pradesh, Rajasthan, in MP. And Madhya Bharat Agro, which works in MP, etc. They are talking about increasing the capacity.
- Punit Makharia:** Sir, if you talk about Madhya Bharat Agro in MP, then they already have their two plants operating. One in Sagar, another in Meghnagar. Thirdly, they are coming out in Maharashtra Dhule. They are getting a new plant. Simultaneously, today our plant is coming in Maharashtra in Lote-Parshuram. Sir, it is a simple thing. The consumption pattern of Maharashtra alone is 10 lakh tons annually. What will happen in this is that the import-based products, those will lose their focus, wherein the domestic supply will increase their focus. Sir, if you look at the last one year's data, the import of the fertilizers is reducing every month by month. Do you understand? So, there is no greater impact than that. Sir, there is a huge space for all the players in the market. Still, there is a big gap in the demand and supply. Only the issue is that the supply will be shifted from the international market to the domestic market.
- Harshil Solanki:** Understood. Sir, one more thing. Understood. One more thing is that our government has done tie-up with Saudi Arabia and other countries for DAP supplies to get more volume.

- Punit Makharia:** Sir,. That tie-up is very old. The previous tie-up was of 3 lakh tons. Now they have done a tie-up of 5 lakh tons. And there is no difference in a tie-up of 2 lakh tons.
- Harshil Solanki:** Okay. I want to understand that people will not shift back to DAP and the SSP will continue?
- Punit Makharia:** Sir, you tell me a simple thing. What is the price of DAP today? \$870. Sir, from where will it sustain?
- Harshil Solanki:** So, the good volume of our SSP will continue going ahead. Okay. I want to understand one thing. China has banned SSP fertilizers. So, are we planning to enter into that because our new unit of fertilizers is also coming.
- Punit Makharia:** Sir, whatever we are working upon, we already have our water-soluble plant which we have already started recently. Right. If you see in our earlier-to-earlier PPT, there we already had a water-soluble plant that we have already started. That is a specialty fertilizer we are working upon that. And as far as the ban of China that you have talked about, right, that will create a future opportunity for the players like Shree Pushkar.
- Harshil Solanki:** Okay. Sir, as far as I remember, our water-soluble was not of a very large capacity. We were extending and all that.
- Punit Makharia:** That is hardly 12,000 tons annually and 1,000 tons monthly.
- Harshil Solanki:** Okay. So, in future, do you have any plan to do any other CAPEX in that? Once this fix up
- Punit Makharia:** No, sir. As of now, the two that we have taken in one hand, we need to complete these two CAPEXes. And we will go in a proper sustainable manner doing it one-by-one. We have got a lot of things in our platter to handle these two new expansions. Let us have some consolidation after completing these two new facilities.
- Harshil Solanki:** Okay. Understood. Thank you for answering.
- Moderator:** Thank you. Next question is from the line of Khush Bafna from Bafna Brothers Finance & Property Agent. Please go ahead.
- Khush Bafna:** I just had a couple of general questions. First was that there is a lot of talk about the USA increased tariffs and the effects on the textile sector. And considering the dye segment, I wanted to know how you are thinking it's going to mitigate?
- Punit Makharia:** Sir, first of all, the volume of the Company in terms of the total sales revenue of the Company, dye is not a major contributor.
- Secondly, in India, they have increased their duty, whereas in other markets where the Company supplies, like in Bangladesh, in Vietnam, in Turkey, the duty is much reduced. In India, as well

as, we don't have a major market share of dyestuffs. So, I don't think that there is going to be a significant impact on these duty structures input by America. Majority of business we already have in Dhaka, in Bangladesh and Vietnam, and we do have some long-term contracts with certain multinationals. Those multinationals have nothing to do with the, India market versus US market.

Khush Bafna: Right. Thank you. And one more thing was, sir, if you see the public shareholding of a Company, there's not much of FII or DII investment. Are you planning any investor meet in the possible future to get some institutions on board as well?

Punit Makharia: Definitely, we are working upon that. Before we started off this concall, we were discussing with our IR to let us make a firm plan for some more visibility and getting some big investors into this thing. We are working upon the same. We have similar thought process.

Khush Bafna: Okay. Thank you, sir. All the best.

Punit Makharia: Thank you.

Moderator: Thank you. Next question is from the line of Saket Kapoor from Kapoor & Co. Please go ahead.

Saket Kapoor: Thank you for the opportunity. Sir, firstly, as the earlier speaker was mentioning about institutional interest in the organization, although it is not worthy to mention, but today the market cap of our listed Company, Shree Pushkar, was down closer to 16%-17% even after posting a good set of numbers for this quarter. So, the lack of institutional support was felt today. This was only just to add to what the earlier participant was speaking to.

Punit Makharia: I agree with this opinion, Kapoor sir, and that is what we were discussing before the starting of this concall, and surely we will be working upon that direction jointly with our IR also. We understand that in spite of giving a good set of numbers the Company achieved, still you know, I think this is the first time I have seen that it is down by 15%. I have never seen so. I really don't know it's a surprise for me. Rather, I see it as a good opportunity. Let me put it like this.

Saket Kapoor: Correct, sir. Definitely, sir, like you told investors, whatever is in your current sphere, you address that and try to deliver in the same way. We have seen your consistency in the last 3-4 quarters at least. And, sir, for this current year, as far as I remember, you had said about the topline of Rs. 1,000 crores to Rs. 1,200 crores in the last quarter that we can expect this year. So, taking into account, sir, the current first quarter and the current business environment, and then the contribution of unit 5 that you expect, sir, how does the current year look like? There is still 3 quarters left.

Punit Makharia: Sir, I talk a little conservative always. I always remember that for this year, I gave a visibility of around Rs. 950 crores. And in the first quarter, the Company achieved a result of Rs. 254 crores. And, sir, generally, quarter 1 is always the lean period. If you look at the trend of the last 3-4-5 years, then Quarter 1 is always the lean period. If you go on a year-on-year, quarter 1, FY24-25,

in that year it was Rs. 191 crores. And in front of that Rs. 191 crores, now this result of Rs. 254 crores, then somewhere, sir, there is an increment of 20%-25%. If you go theoretically, then it should come above Rs. 1,000 crores. But still, sir, you are an investor, you should take a little more conservative approach that somewhere the topline should come from Rs. 950 crores to Rs. 1,000 crores. If everything goes well, we are working hard, other things have helped, then sir, there is no big problem in going above Rs. 1,000 crores. And if you look at profitability, then slowly profitability is also improving. We started from 5.5% journey to 7.26% journey. Now, again, an improvement of almost 1%. Let us hope for the better improvement in the coming future also.

Saket Kapoor: Okay, sir, because we are already 2/3rd, today is 14th. We have to come on 13th. And already, sir, the chances of Quarter 2 seasonality, if you could elaborate on that, generally, Quarter 2?

Punit Makharia: Sir, now we are calling for the result of Quarter 1. So, sir, it will not be right for us to talk about the current year.

Saket Kapoor: Sir, my second question is that when you are giving a conservative outlook of Rs. 950 crores, our margins are also 10%-11%, EBITDA margin. So, can we achieve that ballpark if we include today's circumstances in our predictions?

Punit Makharia: Sir, my expectation is that if you ask me internally, I do not express much, sir, because if I say something, then later the investor will hold on to it. So, I always talk about market for this, sir. I always talk about a very conservative figure, sir. If you ask my opinion, then I feel that this year, somewhere around 8.5%-9% will come at the PAT levels. This is my guess. And somewhere around Rs. 1,000 crores of sales will come out. This is my guess.

Saket Kapoor: Okay. PAT margin of 8.5%-9%.

Punit Makharia: This is my guess, sir.

Saket Kapoor: That's right, sir. Sir, what you said about unit 5, that it will be operational, you said it will be operational in the next quarter. So, sir, what contribution will it make in this year? First, how will the ramp-up be? And what contribution do we expect in revenue?

Punit Makharia: Forwardly, if I tell you, then in unit 5, we have completed the new CAPEX of Rs. 34 crores. The electricity department does not have additional electricity load. They are changing the transformer. They have said that by September, we will change our transformer and provide you additional load. We are sitting in the hope that if additional electricity load comes by September-October, then we will be able to start this plan immediately. I believe, sir, that in this year, if they do not get load in September, and let us say October-November, then we will get additional business for at least 3-4 months in unit 5 this year, additional business. And if I talk about next year, then in the next year, 100% business opportunity for the new expansion that has been completed in unit 5, plus unit 6 will also be completed. You can imagine that somewhere in the next year, an increment of Rs. 600-700 crores in revenue will be compared to in FY25-26.

Suppose, for an example, if in FY25-26, there is a revenue of Rs. 1,000 crores or Rs. 950 crores, or whatever the revenue is, the time will tell. Somewhere in the next year, there is a hope of an increase of Rs. 500 crores-Rs. 700 crores, because these two plans will be fully operative. Unit-5 is almost complete. We will complete unit 6 by December and come to the trials. In my opinion, I am giving 3 more months to unit 6 also for the stabilization phase. I am taking from April 2026 onwards to March 2027. We should be having unit 6 also fully operational and unit 5 part expansion also fully operational. All the availability of required infrastructure will be fully available to us.

Saket Kapoor:

Thank you very much, sir, for the detailed information. You mentioned a point about chemicals, that the margins in the chemical segment in this quarter are due to the product profile. What changes have taken place in the chemical segment due to which this trend has developed?

Punit Makharia:

There is no major change. Buying pattern of the people have bit changed, have bit delayed because of the geopolitical situation which are quite unstable as you all see the global market better than us, you guys have a better visibility and clarity of the global situation. There is a slight demand for it. Otherwise, I don't see that there is a major worry issue or a business model failure or a big problem. I don't see anything like that. This is only a matter of time. If it doesn't happen in this quarter, then it will happen in the next quarter. Basically, the thought process I follow is that this should be in a business model which should be stable and sustainable. Otherwise, the business doesn't go anywhere. The customer is here. There is a slight delay. Otherwise, the business and the customer don't go anywhere. If you are doing the right thing, if you are working properly, if you are working with stability and sustainability and if you are working very carefully, then the business doesn't go anywhere. Let us believe in the business whatever we do. This is what I am saying.

Saket Kapoor:

Sir, we are reporting the volumes. We are reporting the revenue mix. How is the performance of the chemical in terms of profitability? As you just said, the volume in quarter-on-quarter has increased significantly. But the revenue contribution has been lower. How should this be read? In Q4, we have 10,000 Yes, sir, tell me.

Punit Makharia:

In terms of profitability, we don't get the individual vertical profitability, nor can we get it. And even if we want to get it, it won't be the right presentation. Being an integrated business model, practically, yes, there are ways and means of doing so. But practically, if you go, there is no proper system of what is the profitability of the chemical and what is the profitability of the fertilizer. It is difficult to get that out. Because it is a completely integrated business. It is a complex. Now, how much is the expense of this vertical and how much is the expense of that vertical? It is difficult to get that out, sir. And just to get it out, we apply any formula, but we ourselves are not satisfied with that kind of a formula. And we don't want to present any misleading or any wrong kind of statements or data to the investors.

Saket Kapoor:

So, sir, just explain the volume. The 10,000-15,000 jumps, what contributed towards it? The revenue is lower. Definitely, the realization is down. But according to tonnage, we have taken a significant jump. So, how should we read it, sir?

- Deepak Berirwala:** If you see, the volume comparison of Q4 and Q1 in quantity terms of chemicals, what happens in that is that the acid plant in Q4 was in full 3 months shutdown. And in Q1, the whole acid plant was operational. So, if you see, in comparison of Q4 and Q1, the impact of 6,000-7,000 quantity comes to my acid business. And my volume increases in acid business, but the impact does not come in value. So, that is the reason.
- Saket Kapoor:** And sir, does this acid apply in our fertilizer complex?
- Punit Makharia:** Sir, fertilizers, applies in other chemical business also. And we do sell acid also. And acid being a low-value item, right, so when you see the quantity jump from 10 to 15, 15 to 10, and when you see the value, your value is not that large, because it is a low-priced product. Sulfuric acid is Rs. 10 per kilo, sir.
- Saket Kapoor:** Yes, sir, but I think the sulfuric acid prices have moved up significantly. There is a positive trajectory.
- Punit Makharia:** There is no problem, everything is in that way.
- Saket Kapoor:** Sir, you mentioned sulfuric acid as Rs. 10 or some numbers you shared. So, I was just adding to the fact that sulfuric acid prices have moved up significantly over the last few quarters. So, their contribution to the topline and bottom line should be greater. That is what my understanding was.
- Punit Makharia:** Sulfuric was the same pricing. It has been running in the Rs. 10-12-13 framework for a very long time. Sir, there is nothing significant in this. Still, if there is anything, you should come to me one day. We know we will have a one-to-one discussion for a better clarity.
- Saket Kapoor:** All the best to the team, sir. I will join the queue for my follow-up. Thank you, sir.
- Punit Makharia:** Thank you very much.
- Moderator:** Thank you. Next question is from the line of Prith Naga Shet from Wealth Financial Advisors. Please proceed.
- Prith Naga Shet:** Yes. Punitji, good afternoon and some great numbers. I just joined in, I'm travelling actually. I couldn't follow up on some of the earlier questions or things you may have said. Sir, first thing I wanted to understand is that the work done in the Fertilizer, how sustainable is it in the next quarter 2 or going forward?
- Punit Makharia:** Sir, what issues are you seeing? For a better understanding, so that I can address your question.
- Prith Naga Shet:** Sir, basically the increase in the Fertilizer in terms of volume and value in the last quarter was because China had stopped supporting Urea. Exports were not coming here. So, overall, the volume increased a lot. So, there are all the various countries reporting extra volume just because of this element that came in. So, I wanted to know that our business in Q1, how sustainable will it be for us in Q2 and beyond?

Punit Makharia:

Sir, it is like this. To the best of my capacity and capability, you know the ban that China imposed on India was a very short time ban. Later on, they started, they lifted the ban also for few products. Now, let me tell you, as of now there is a global issue in the Phosphatic Fertilizer sector. Globally, if you say like DAP, Urea, globally there is a heavy shortage of Nitrogen based Phosphates, of Nitrogen based Fertilizers as well as on the Phosphatic based Fertilizers also. If you look at the volumes of the import in India, whether it is from China or other countries, it has reduced to a great level. Therefore, the Government of India is giving more focus on this Aatmanirbar formula. Therefore, if you have seen, in India itself, the domestic production, they are trying to increase the domestic capability of the production. In the last 3-4-5 days, recently in the news, if you have paid attention, you would have also seen that India has started its initiative on Green Hydrogen based on Ammonia. Because, see sir, all these things are on Aatmanirbar formula for the coming time. And let us understand one thing clearly that the Fertilizer requirement cannot be reduced. We have to have our self-reliance, self-dependency on these Fertilizers. Today, if China has banned it, or some other country has banned it, or something has happened in the future, on these kind of thought processes, on these kind of formulas, we cannot run our business. I always say again and again that, in our stable and sustainable. This is not an import based thing. This is a total theory of going in a, you know, this domestic availability. So, I personally don't see that tomorrow, something like a participant had said earlier that sir, a plant is coming in Meghnagar, this is coming, that is coming, how will it affect our capacity? Sir, if you look at the data, and what is the consumption pattern, and what is the import pattern, even today if you see in the media that with DAP, Urea, all over India, in the media also, there is a huge shortage going on which clearly tells that there is a huge opportunity also lying.

Prith Naga Shet:

Right, sir. So, sir, basically, in other words, you are saying that the performance in Q1 is sustainable for us, this whole year, and then in the future, NPK plant is coming, so that itself will further increase our fertilizer volumes much ahead.

Punit Makharia:

Yes, that's right.

Prith Naga Shet:

Right, sir. The second question was that the new, both Unit-5 and Unit-6, both will be online, according to the timeline you gave. So, will these take the margin forward, or what will be their margin profile for these two businesses?

Punit Makharia:

Sir, you see, in a lot of state formulas, that the Company which is running at 8%-9%-10% PAT level, this will grow as in how the volumes and the values will grow. Today, if you in the business of Rs. 1,000 crores, you give 8.5%, 8%, 9% PAT level, then next year you will be having a volume of close to Rs. 1,500 crores, then you can multiply the PAT levels onto that.

Prith Naga Shet:

Right. Sir, generally, it doesn't happen that if our volume increases, if from 1,000 to 1,500, 50% volume increases, 50% value increases, then due to operating leverage, margin increases a little more

Punit Makharia: Sir, that doesn't happen because all plants have different expenses. So, you don't expect that in a particular product, your value or volume has not increased. It's not that you have increased your production in the same set of infrastructure. You are building a new facility, new capacity. So, you are having your expenses also accordingly of a new infrastructure.

Prith Naga Shet: Right.

Punit Makharia: See, listen, you are not optimizing your production facility, that you put some balancing equipment in it and your production increases due to that balancing equipment, revenue increases due to that. One thing is that if I put this X machine, then my balancing will be done and due to that balancing, I will come up to 100 tons to 125 tons. So, my cost is not going to increase, just addition of one balancing equipment. It is not like that. What you are saying is possible in that case.

Prith Naga Shet: Right, Sir. I understood. Sir, regarding CAPEX, how much of your amount do you plan to spend?

Punit Makharia: I think, Sir, it should be around Rs. 60 crores approximately.

Prith Naga Shet: Right, sir.

Punit Makharia: It is in investments.

Prith Naga Shet: Correct, cash flow will be from that.

Punit Makharia: Sir. 5 months are still there.

Prith Naga Shet: Right, sir. Second question, I wanted to know about chemicals. That how and you might have already answered, but sorry for repeating the question. But, the way this environment is developing, especially for textile oriented chemistry, so how much share do we sell in India?

Punit Makharia: Sir, negligible share of dyestuff is in India. Okay. Sir, if India is affected by America, then if any textile industry is impacted, that is a very miniscule amount, which we have.

Prith Naga Shet: Right, sir. Sir, you told us last time that Q1 is your lean quarter, which was very good this year. So, Q2 and ahead, should we expect them, each one of them to be better than at least Q1? Is that a fair assessment on our part?

Punit Makharia: No. Sir, we can't make any assumptions. And that assumption is also wrong. Sir, let us see what happens because there are many things. This doesn't work on a thumb rule or formula. But, this can be understood. If you understand that whatever this year, the business that took place in this quarter, this is the thumb rule formula that I work on, you understand that this is around 4.25 times, around 4-4.25 times, the whole year closes.

- Prith Naga Shet:** Okay. But, Sir, in those years, Q1 has performed much better than that, because of some reasons. Now, the question that most investors would want to understand is the sustainability of it, right? If we did topline of Rs. 254 crores and PAT of Rs. 20 crores, if we go ahead and put this into 4-4.5 times, then we will reach 1,000 crores and 80-90 crores which you are giving as guidance. So, that seems sustainable in this.
- Punit Makharia:** I think you answered the question.
- Prith Naga Shet:** Alright, Punitji. Wish you and the team all the best.
- Punit Makharia:** Thank you.
- Moderator:** Thank you. Next question is from the line of Suhrid Deorah from Paladin. Please go ahead.
- Suhrid Deorah:** Good evening, Punitji. Congrats. The quarter was absolutely excellent. And I want to congratulate you and the team for it. I have one follow-up question to something somebody asked earlier. And you were talking about a global shortage in phosphatic fertilizers, nitrogen as well as phosphatic fertilizers. Could you please help me understand the reason behind this shortage? Because my understanding is that certain countries had reduced their exports for political reasons. So, is that incorrect? Like, China has reduced their exports for political reasons. Is that incorrect? Or is there some other reason why there has been a global shortage of these products?
- Punit Makharia:** Suhrid, if you ask me very honestly, this is a mixture of everything. Right? It's a political scenario also. And this lot of turbulence going politically in between few countries. So, you know, things are quite disturbed. And very honestly, Suhrid, what I personally feel is that I can share my opinion but honestly, I also don't have that much of data or that much of indepth correct knowledge. You know, whatever we hear, whatever we see, whatever we talk, whatever we read, based upon all our intelligence, we form our thoughts, our views. Not necessary that thoughts and those views are 100% correct and to the reality. Right? First of all, I believe you will agree with me on this point. Right? But in looking at all this scenario, I see that now India is trying to have self-dependency on this fertilizer sector, which is the government is discouraging DAP, government is encouraging now other available phosphatic fertilizers, the substitute of DAP is SSP only, like the government has introduced now SSP Urea also, which is a low-grade DAP, you can call in this another way, like dependency on ammonia on external side, like this now Solar Energy Corporation of India is also floating a tender for production of in-house ammonia, which will help and support, this Urea production in India, which will support NPK in this complex and DAP production in India. So, this is a long-term strategy and government what they are looking in future, plus the kind of fertilizer bill Government of India is having, they are also trying to reduce this fertilizer bill, so this is a long-term strategy. So, in my opinion, whatever is going is good for Indian industries, who have a large home consumption. And in future, if you will ask me, that still, in spite of 870\$ or so, the DAP price, government is not buying DAP. Government is not allowing anyone to easily get DAP, because if you will get DAP, it's almost Rs. 1,350 one bag and the subsidy is close to Rs. 20-21 or so, still it is not

viable. In my opinion, if you ask me, I see a long-term good future for the integrated manufacturers of these products in India.

Suhrid Deorah: Right, so, is it likely that the realization that we are benefiting from, because of the shortage in the global market, that realization has been elevated, is that correct?

Punit Makharia: No. See, it is not like shortage or something like this. It is rather you know, that import market is, this import products are slowly and gradually substituted by the domestic production. I would rather put it like this.

Suhrid Deorah: Okay, so, I guess where I am trying to go with this is that I am just trying to understand, what could change at a global level politically or if any trade relations open between India, China or other countries, would that change anything? Obviously, when you devise your business plan, you are planning a new plan for NPK. I am sure you did not plan thinking that China will do this and India will do that. You must have planned it based on your own assumptions about the long-term prospects?

Punit Makharia: Yes, sir. What I have to do is today, Maharashtra's consumption is of 10 lakh tons of NPK. My plant is of 1.5 lakh tons. I have to raise a market share of 10% today. Plus, apart from this, Karnataka, Chhattisgarh, Madhya Pradesh, wherever we are, entire marketing strength also. Today, the plan is of 1.5 lakh tons, so, within 1.5 lakh tons, if I understand that I will achieve 70% capacity and sell 1 lakh tons, I don't see any big issues in that. I am fully confident in achieving these numbers. You know us that we are a bit we think a lot before working.

Suhrid Deorah: Absolutely. I fully understand this point. My only question is that if any of these global factors change, would that change the realization that we would achieve or the margins that we would achieve if supplies start to improve from other parts of the world? That is all.

Punit Makharia: No, sir. It won't make much difference. It is going to be $2+2=4$ whether you add here or in America or in UK. Calculator will say $2+2=4$. Sir, it's a simple thing. Basic raw material, in today's date, see, even in China, there is not much phosphate. China is an importer of Sulphur. What is there in China? China is a net importer of phosphates. China is a net importer of sulfuric. Same like India. It won't make a big difference.

Suhrid Deorah: Thank you, sir. Thank you for the clarity. Appreciate it.

Moderator: Thank you. Next question is from the line of Purushottom from Wise Old Bird Limited. Please go ahead.

Purushottom: Sir, congrats on good set of numbers. I think I basically had the same question which you already answered about China got approval to start the fertilizer. They have started importing again to India. Yesterday, I was reading that news about China has opened the fertilizer for India. I was seeing what is the impact. You already answered that there would be not much impact due to that because we have the demand is very high.

- Punit Makharia:** Yes, there is a huge gap in the demand and supply as of now.
- Purushottom:** Okay, sir. One more question I have, sir. How is Bangladesh? Last quarter You told that if Bangladesh is having trouble, we have other competing markets like Vietnam and all. So, now how is the situation?
- Punit Makharia:** What is the problem in Bangladesh, sir?
- Purushottom:** The business got affected because of the India-Bangladesh relationship.
- Punit Makharia:** Who said business got affected?
- Purushottom:** We were anticipating.
- Punit Makharia:** No need of anticipation, leave it.
- Purushottom:** Media anticipation.
- Punit Makharia:** There is no issues in Bangladesh. There was an issue in Bangladesh for 1-1.5 months. They were having a disturbance. It doesn't mean they will always remain in disturbance.
- Purushottom:** Now, things are back to very normal, right, sir?
- Punit Makharia:** Yes.
- Purushottom:** That's all I had, sir. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we will take this as the last question for the day. I would now like to hand the conference over to the management for the closing comments.
- Punit Makharia:** Thank you, everyone for joining us for Q1 FY26 Earning Calls. If you have any further questions, please feel free to contact with our investor relations advisor, Churchgate Partners, and we will be happy to address your queries. Thank you very much.
- Moderator:** Thank you, sir. On behalf of Shree Pushkar Chemicals and Fertilizers Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.
- Notes:**
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