



# GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

Fertilizernagar - 391 750. Vadodara, Gujarat, INDIA.

CIN : L99999GJ1962PLC001121

NO.SEC/SE/TRANS/2025

15<sup>th</sup> February, 2025

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Dear Sir / Madam,

**Sub.: Transcript of the Investor ConCall held on Tuesday, 11<sup>th</sup> February, 2025**

We refer our submission vide letter dated 4<sup>th</sup> February, 2025 wherein the intimation was made that the Conference Call with Analysts is scheduled on 11<sup>th</sup> February, 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](http://www.gsfclimited.com).

Kindly take note of the above.

Thanking you,

Yours faithfully,

**For Gujarat State Fertilizers & Chemicals Ltd.,**

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**Vice President (Legal)**  
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**Gujarat State Fertilizers &  
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“Gujarat State Fertilizers & Chemicals Limited  
Q3 FY '25 Earnings Conference Call”  
February 11, 2025



**Gujarat State Fertilizers &  
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**MANAGEMENT: MR. S.K. BAJPAI – SENIOR VICE PRESIDENT, FINANCE  
& LEGAL AND CHIEF FINANCIAL OFFICER – GUJARAT  
STATE FERTILIZER & CHEMICALS LIMITED  
MR. S.V. VARMA – EXECUTIVE DIRECTOR,  
AGRIBUSINESS AND HUMAN RESOURCES – GUJARAT  
STATE FERTILIZER & CHEMICALS LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Gujarat State Fertilizers & Chemicals Investors Conference Call hosted to discuss Q3 FY '25 financial performance. This call is hosted by Anurag Services LLP on behalf of GSFC. From the management, we have Mr. S.K. Bajpai, Senior Vice President of Finance and Legal and CFO; Mr. S.V. Varma, Executive Director, AB and HRS; and other senior management 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 touch-tone phone. Please note that this conference is being recorded.

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

**S.K. Bajpai:** Okay. Thank you. So we are pleased to welcome you to the earnings conference call of GSFC. We appreciate your participation in the GSFC quarter 3 post results conference call. I trust that you have reviewed our findings and other presentations that have been posted on our website as well as to the stock exchanges. The company demonstrated strong revenue growth, improved efficiency, higher production and strategic product mix optimization, reinforcing its competitive position in fertilizer and industrial segment in quarter 3 and 9 months for financial year '24-'25.

If you see consolidated figures for quarter 3 and 9 months, top line growth of 40% Y-o-Y in Q3 and 6% in 9 months. PBT increased by 16% and PAT increased by 13% Y-o-Y in Q3. Consolidated 9-month Y-o-Y PBT was lower by 1% and PAT by 4%, but from stand-alone point of view, 9 months Y-o-Y PBT was up by 3% and PAT by 2%. If you see production and sales of fertilizers, fertilizers output rose by 23% Y-o-Y in Q3, around 77,000 metric tons and 18% Y-o-Y, in 9 months, that is 1,98,000 metric tons.

Sales volume also increased by 25% in Q3, 1.254 lakh metric ton and 5% in 9 months, that is 75,000 lakh metric tons. Basically due to negative cost economics of DAP production, company imported 1.27 lakh metric ton of DAP, around INR758 crores of DAP to satisfy Indian DAP requirement.

However, imported DAP did not provide any margin to the company. The company also faced challenging cost environment due to rising prices of essential raw materials such as sulphur, sulphuric acid and P205. The P205 prices in Q3 had risen from \$948 per metric ton to \$1,060 per metric ton.

Additionally, the significant depreciation of INR that has also impacted production and imported cost. Capro-benzene spread declined from \$674 per metric ton in quarter 3 last year to \$588 per metric ton in the current quarter, reducing profitability in this segment. However, the company effectively mitigated these cost pressures by optimizing its product mix towards more profitable fertilizers and industrial products and increasing capacity utilization.

Further, reduction in natural gas prices, 10% in quarter 3 Y-o-Y and 1% in 9 months Y-o-Y provided some relief, helping to offset the rising cost of other raw materials. Subsidy rates for P&K fertilizers were lower on 9 months Y-o-Y basis, but the company successfully navigated

the situation by boosting production and sales volume, ensuring operational efficiency and strategically positioning its product in key markets.

In the upcoming quarter 4 '24-'25 with favourable conditions reported for Rabi crops across major states, the country is called for another strong harvest season. However, the fertilizer industry faces challenges due to price constraints, global supply conditions and subsidy structures impacting production and imports.

The company's focus will be on optimizing sales opportunity and ensuring strategic stock placement for the upcoming Kharif season. Considering the market dynamics and planned annual shutdown of key fertilizer plants such as ammonium sulphate, ammonium phosphate sulphate, ammonia and energy revamp exercise in case of urea, we have a target to book sales in the range of 3 lakh metric ton to 3.25 lakh metric ton in quarter 4.

In the Industrial Products segment, the demand of our major industrial products from various application sectors is likely to remain stable to firm during the next quarter. However, passing for major industrial products is likely to be affected by cheap Chinese imports. Overall, the company expect a stable demand and turnover in the Industrial Products segment in the coming quarter.

As you are aware, we are debt-free organization with a strong balance sheet and robust liquidity position. This financial strength is supported significantly by the government's proactive approach in ensuring the timely disbursement of subsidies. We have received subsidies for imported P&K fertilizers up to December '24, while the subsidy for Indigenous P&K and urea have been received up to the second and third week of January '25, respectively.

The organization is adhering to its strategic objectives. With regard to capital expenditure, it is anticipated that Sulphuric Acid V project and Urea-II Revamping project will be operational at the end of current fiscal year. I would like to express my gratitude for your patience in listening to my overview.

Yes, we will now commence the question-and-answer session. Thank you.

**Moderator:**

The first question comes from the line of Nirav Jimudia from Anvil Wealth.

**Nirav Jimudia:**

Yes. Sir, I have few questions to ask. So sir, based on your opening remarks like on the fertilizer side, we have clocked close to around 23% manufacturing volumes and if we include trading, I think it is around close to 25% volume growth. So sir, is it possible to A, break down the PBIT what we have clocked on the fertilizer segment in Q3 between how much we have done on the manufacturing side and how much on the trading side, A?

And also if you can share like with now urea revamp project getting close to commissioning, was urea profitable in Q3 of FY '25 and with this commissioning of the urea plant, what sort of improvement we could see in per ton margin for urea?

**S.K. Bajpai:**

Fertilizer output rose by 23% in Y-o-Y. So in quarter 3, there was lesser output in comparison to quarter 2 because of the availability of urea from the government side. But APS at Sikka Unit

and ammonium sulphate at HO or Vadodara Unit, we have increased the capacity and fertilizer production was higher.

As far as profitability is concerned, we generally do not share the profitability product-wise because of this some other subsidy issues and all. So whatever we have presented in our publication and the investor site, that is available.

**Nirav Jimudia:** Correct. But sir, on the urea side, if you can share whether it was profitable in Q3 and with this revamp project getting close to commissioning, what sort of improvement we could see on the EBITDA per metric ton? Because if I'm not wrong, our Gcal per metric ton could see 0.70, 0.75 Gcal per metric ton.

I think currently we are close to around 6.5, and with this revamp, we could go close to around 5.8, 5.85. So what sort of benefits could accrue to us with this urea plant getting revamped?

**S.K. Bajpai:** Yes, urea, there is a little margin available. There is no problem as such and the plant is expected to be commissioned in the coming quarter. And then after we come to know how much energy reduction will be there, but we are sure that whatever norm is set up by the government, we will be achieving that.

**Nirav Jimudia:** Correct. Sir, generally, if we see last Q4 also in terms of the fertilizer demand specifically for our AS and ASP, it's generally weak and if I'm not wrong, last year, you mentioned that we have to offer some sort of discounts also in order to place our volumes. I think what we have reported in terms of PBIT for this quarter is close to around INR2,500 a ton in the fertilizer segment combining everything, all the volumes.

So if you can share that how is the situation in Q4, whether still we have to provide some sort of discounts in Q4 to place our volumes or the intensity of discounts would be lesser and we could report a better profitability because last year in Q4, fertilizer segment has a loss. So if you can share your views here?

**S.K. Bajpai:** Actually profitability in the quarter 2 was basically due to the dividend received around INR100 crores that has boosted the profitability of the company in quarter 2, which is not available in quarter 3.

**Nirav Jimudia:** No, no, sir, I'm talking about Q4 to Q4 of last year. So like the upcoming quarter of Q4, where because of the seasonality issue, last year Q4, you mentioned that we have to offer some sort of discounts in order to place our volumes. So like how would be the intensity of discounts in this Q4, because last Q4 because of this discounts and everything, we had to suffer the losses on the fertilizer side. So if you can just help out with this?

**S.K. Bajpai:** No, in the quarter 4, I don't foresee any discounts will be there. So we have the limited stock and that has been strategically placed in the market and we have taken the shutdown during the lean season of the fertilizer sector as a whole, the quarter 4, we have taken shutdown of various fertilizer plants like urea, APS, ammonium sulphate. So whatever fertilizers we are having in the stock and little production during the quarter 4, we are specifically placing.

And our marketing department does not foresee any increase in the discount. So profitability will be remaining same as in the quarter 3. So if we correctly remember, quarter 4 last year was not a very good quarter, around INR25 crores of profit was reported in quarter 4 last year. So this year, we can expect the better performance in quarter 4.

**Nirav Jimudia:** Got it. Got it. Sir, second question is on the HX plant, which we recently commissioned in October. So if you can share your views on the same like how much the production and sales in Q3 and possibly if you can share the profitability or the EBITDA contribution from this particular product would be very helpful?

**S.K. Bajpai:** Yes, the HX plant is now stabilized after initial trouble and now it is stabilized at the rated capacity of 20 metric ton per day. So earlier we are having the one plant, HX-1 Crystal plant that is having the capacity of 10 metric ton per day. So totalling, we are getting 30 metric ton per day capacity. So there is no problem as such now and we are regularly getting this capacity, even some times surpassing the 100% capacity also.

As far as profitability of this product is concerned, we are quite comfortable. I cannot show the exact number because it is just the initial stage and we are searching the market and getting the export substitution to penetrate in the market, but we are quite comfortable in the contribution side also because as you know in the caprolactam, the capro-benzene spread is reduced like anything and there is hardly any contribution.

So we are switching the contribution -- production of caprolactam to HX Sulphate plant.

**Nirav Jimudia:** Correct, correct. And sir, given the kind of the spreads and the prices you have mentioned in the presentation for caprolactam, with current level of benzene prices of close to \$950 to \$1,000 a ton. Hypothetically, is like the prices of above \$1,700 would help us to start making profits on the caprolactam side or the breakeven price for us is slightly higher than that?

**S.K. Bajpai:** So breakeven is just about \$1,600 if we can say the caprolactam during breakeven. So little improvement in the caprolactam pricing will suffice us to breakeven in the caprolactam.

**Nirav Jimudia:** Got it. And sir, last question on the sulphuric acid side. Sir, if we just do some math and in terms of our production of AS and the other products in this quarter, I think our quarterly requirement of sulphuric acid comes close to around 1,75,000 tons, 1,80,000 tons. So given the kind of price increases we have seen on the sulphur side and sulphuric acid prices also and being used in the ammonium sulphate fertilizer.

Do we have some leeway in terms of passing on these cost increases in the market or we have to absorb this cost and we can't pass on these cost increases to consumers?

**S.K. Bajpai:** Largely sulphuric acid is produced at Vadodara Unit where we use in ammonium sulphate. So the requirement of sulphuric acid in Vadodara Unit is met by our own production, which is quite competitive. And sometimes we are having the requirements, which is fulfilled by the long-term arrangement with the parties. So whatever the increase in the sulphuric acid prices there in the market, our production of ammonium sulphate or ammonium phosphate sulphate is not impacted.

Additionally, we are going to capitalize Sulphuric Acid V Plant and after that, we will be having the surplus Sulphuric Acid is required to produce ammonium sulphate. So we can go in the market and sell our product after getting the production from Sulphuric Acid V Plant.

**Nirav Jimudia:**

Sir, last question from my side, like given the kind of profitability what we have seen on the industrial product side, are there any cost measures being initiated at the company level given the kind of current prices of Capro, Melamine, and other products or let's say, are we introducing any other new products, which in a way could help us to again come into the profits from the losses what we have been reporting on the industrial product side?

**S.K. Bajpai:**

Yes, we are taking 2, 3 steps. One is that we are importing Anone, because imported Anone is cheaper than our own cost of production in the Anone-1 plant, which is very old plant. So we are replacing Anone from the Anone-1 plant by the imported Anone. It is quite cheaper so that it provides a little cushion in the caprolactam production cost. Second alternate that we are reducing the caprolactam production and diverting this HX to HX Sulphate plant.

So that the caprolactam lesser is available for the market. So that 2, 3 measures we are taking, but otherwise it is mainly dependent upon the international pricing of benzene and the caprolactam and we cannot do much. Till the time we have the positive contribution, we will continue the production.

**Moderator:**

The next question comes from the line of Vaibhav Seth, an Individual Investor.

**Vaibhav Seth:**

Yes. My name is Vaibhav Seth. I'm an individual investor. My question is regarding -- there are 2 questions. One is for EPS. As per the result, it is reported that EPS as on 31st December '24 is INR13.03, right?

**S.K. Bajpai:**

Yes.

**Vaibhav Seth:**

So can we expect for the quarter 4 result, the EPS around INR16? And second question is, sir, where -- as per the government circular issued in the year of 2023 regarding various corporate action, when shall we expect that kind of corporate action apart from the dividend, which you are giving 30% of the net profit? Please, sir, answer.

**S.K. Bajpai:**

The EPS is reported annualized 9-month is INR17.22, so which is surpassing your expectation of INR16, what -- if I correctly heard from your question. So there is no problem achieving that EPS what you are expecting from the company. I could not understand the second question. Can you please repeat?

**Vaibhav Seth:**

As per the circular from the Gujarat government in the year of 2023 for announcing various kind of corporate actions regarding bonus, buyback and all that kind of corporate actions.

**S.K. Bajpai:**

Yes. Gujarat government circular is there and at appropriate time, our Board is taking the appropriate decision, like you have seen already...

**Vaibhav Seth:**

We are hearing the same answer last since 2 years. So when can we expect, sir?

**S.K. Bajpai:** This is not what I can say you and this is beyond my authority. It is ultimately the Board and the Gujarat Government Chief Secretary is our Chairman. So they will take the appropriate action.

**Vaibhav Seth:** Lastly, when I talk to the Nanavati sir, he has also answered the same way within 12 months, they will decide it. But it's been nearly 2 years. No action has been taken regarding bonus and buyback. Dividend, you are giving 30% as per the circular. That is okay.

**S.K. Bajpai:** We have the robust expansion plan, as you know, that 2, 3 plants we are going to capitalize within the next 6 months. So there is a lot of -- INR500 crores amount is required to be paid to the suppliers. So this is one of the main reason when considering the dividend payment or any other bonus or any other measures what you are expecting from the company.

But after this the -- after year-end, I think the capitalization will be over and then at the time of making the dividend payment, the Board will take the suitable decision.

**Vaibhav Seth:** You mean 31st March '25 or '26?

**S.K. Bajpai:** '26.

**Vaibhav Seth:** '26.

**S.K. Bajpai:** Yes, yes.

**Vaibhav Seth:** '26?

**S.K. Bajpai:** '26.

**Vaibhav Seth:** Yes. So after that, there will be no expansion in pipeline, right?

**S.K. Bajpai:** Yes, there are expansion in pipeline. So 1-2 project, we will be capitalizing in the -- this '25. And multiple project, we will be capitalizing in the second half of '25. So I think that afterwards, we will look our cash position and the Board will decide suitably.

**Moderator:** The next question comes from the line of Love Gupta from Counter Cyclical Investments.

**Love Gupta:** So my question was also regarding this Gujarat government issue order. And like by when can we expect a statement or a like indication of buyback or bonus share based on the order?

**S.K. Bajpai:** That I've already replied that because of our capex plan, robust capex plan, we require some money to be expended for the growth of the company. And after 1 year or so and all our expansion -- current plans are executed and then after Board will decide suitable action in the year '26.

**Moderator:** The next question comes from the line of Vivek, an Individual Investor.

**Vivek:** My question was also regarding the buyback regarding the Gujarat government's notification. You are our voice and I think you should take our voice to the Board also that many investors are asking the same question regarding the April '23 notification of the government of Gujarat



regarding buyback. Sir, with regard to this, I'll further add you have told that INR500 crores need to be paid. There are certain capital expenditure.

But I'll bring your notice to the fact that we have investments of around INR7,000 crores and further cash and bank balance of INR2,500 crores. So that is a hefty amount, sir. And as per your voice, only INR500 crores need to be paid to the expansion portion. So again, I'll request that we investors should be rewarded by the Gujarat government's notification issued in April '23, sir. So I think you should take our voice to the Board also.

**S.K. Bajpai:** Yes. Yes. Certainly, I take note of your suggestion and I will personally assure you to take your voice to our top management and the Board suitably. Don't worry.

**Vivek:** Yes, sir, we believe that the investment amount is very heavy. We are a manufacturing industry.

**S.K. Bajpai:** Just whatever expenditure we are incurring it is also for the growth of the company and you will reap the benefit for future days to come. It is not for anybody else. So whatever expenditure, it will provide the quite a lot of efficiency booster to the company and the profitability will be increased by that.

**Vivek:** Right, sir. But then I'm talking about the investment portion, not the expenditure on the fixed asset portion. Investment portion is also very heavy, sir. So please take our voice to the Board, okay, sir?

**S.K. Bajpai:** Sure. Sure. Sure.

**Moderator:** The next question comes from the line of Saket Kapoor from Kapoor Company.

**Saket Kapoor:** Sir, firstly, as you outlined to the fact that the current capital work in progress is to the tune of INR500 crores. So if you could just elaborate? As we have -- as you see in our investor presentation, Page Number 8, it has been mentioned that the solar plant and the Urea-II Revamping project will be capitalized by March. And I think so the Sulphuric Acid I will be done by the first half. This is all that we envisage towards the INR500 crores to be capitalized, sir?

**S.K. Bajpai:** Yes. One more project is there, that is GIPCL 75-megawatt solar power plant. So there is an investment of INR50 crores equity participation and we will be getting 37.5 megawatt of cheaper power. And that is also expected in the first half of the next financial year.

**Saket Kapoor:** Okay. And sir, if you could just elaborate, firstly, the efficiencies or the benefits on the cost front that the urea revamping and the solar power addition will add to and also the volume and the bottom line getting positively impacted by the Sulphuric Acid Project?

**S.K. Bajpai:** As you see, Urea-II Revamping project is for the meeting the energy norms of the government. So by reducing the energy norms by 0.5 kilocalories, the reduction of the cost will be there for the company also. So I cannot just now in a position to give exact financial benefit. But roughly what I remember is it will be impacting INR30 crores to INR35 crores of the cost reduction in the urea plant. Another Sulphuric Acid IV -- V Plant, 1,98,000 ton per annum.

So you know the sulphuric acid price in the market, it is very aggressive. So whatever the captive consumption we are using the sulphuric acid, half of or 1/3 of the production of the Sulphuric Acid V directly available in the market to sell and there is a good margin. As far as solar power and this solar power at Charanka is concerned, it is 15 megawatts.

So its cost will be INR3 to INR4 per unit. So it will be in replacement of the costly power presently purchased from the GEB or electricity board. So that will be the cheaper power available to the company. Also, 75 megawatt GIPCL, our share is 37.5 megawatt. So that solar power, this cost will be also around INR4 to INR5 per unit.

So presently the cost of power is INR8 to INR9 per unit. So that will be the benefit company will be getting in the coming years.

**Saket Kapoor:** Just to put it in nutshell, there will be INR30 crores saving annually for the urea revamp project that will have or a onetime benefit of INR30 crores?

**S.K. Bajpai:** No, this is the continuous, because this energy reduction will be a permanent feature, so this will be a continuous feature.

**Saket Kapoor:** And how much have we invested, sir, in this revamping project, total investment?

**S.K. Bajpai:** It's around INR450 crores.

**Saket Kapoor:** INR450 crores. And this investment has gone over a period of how long we have been taken to deploy this INR450 crores?

**S.K. Bajpai:** 3 years.

**Saket Kapoor:** 3 years.

**S.K. Bajpai:** Yes.

**Saket Kapoor:** Okay. And sir, pertaining to the sulphuric acid part, what is our current quarterly requirement of sulphuric acid? And with this plant being commissioned, how will our captive utilization and our selling into the open market will be what percentage?

**S.K. Bajpai:** So whatever the requirement presently we are having, we are purchasing 300 metric ton per day. So 40% of this capacity of the new sulphuric acid plant will be available for sale. So that is precisely new Sulphuric Acid V.

**Saket Kapoor:** Okay. So we will be vertically integrated in terms of our requirement for sulphuric acid will be now met from our own in-house generation?

**S.K. Bajpai:** In-house generation and the long-term purchase agreement with the other parties. So that is also available at a very competitive rate, not as per the market prevailing rates.

**Saket Kapoor:** Okay. Sir, as all investors and the stakeholders have been pointing out towards every individual who is invested or has keen interest believes for the right intrinsic value and the right enterprise

value for an organization like Gujarat State Fertilizers, which itself is a gold mine in terms of the assets it hold, both the operational assets as well as the financial assets.

So we have always seen in past also that government generally hire agencies or the right set of people who can carve out or suggest the right medium by which value can be created for organizations -- as very old organization like ours, which have many legacy cost holdings. And other aspects, which can be unlocked and value creation can be done in the most beneficial way for both the promoters and the non-promoter entities.

So our suggestion to the Board would be to set an agenda by which this value creation exercise can be done where the optimum use of the assets, both the financial asset as well as the physical operational assets can be done to create the right value for the investing communities. This would be the clear motto, sir. We as an organization have been for the country as a provider of the continuity for fertilizers.

We have also played a key role in the Atmanirbhar Bharat part of the story. But your investors have been lacking behind in terms of the value creation. So there is some gap that needs to be addressed and that we feel, the investors feel need to be done by the right set of people, not correctly to undermine your importance, sir, but there are various, various things which are needed to be addressed by the right set of the team.

So I would request your good self and the other Board members to kindly address our issue to the Board members and also to our Chairman since we are on a recorded line. So this would be giving -- there should be a good opportunity to carve out the right value, the right intrinsic value for investors at large. I hope the management will take care of it -- of what it owes to its investors, sir. And we hope for the continuity of the call.

And I think sir, some more work should be done in terms of better putting more inputs in the -- I think so, the investor presentation, we should look at our competitive data input by other competitors in the market and better definition of the same should be done. These are my basic understanding, sir. And I hope for better times ahead, sir.

**S.K. Bajpai:** Yes. I noted your suggestion.

**Moderator:** The next question comes from the line of Nirav Jimudia from Anvil Wealth.

**Nirav Jimudia:** Yes. Sir, 2, 3 questions. So one, currently, if we see we are producing close to around 80,000 tons of caprolactam. So for this HX plant of 10,000 metric ton, how much would be used for our captive use?

**S.K. Bajpai:** It is 1:1 actually. So, 9,000, 10,000 metric ton per annum capacity of the HX Sulphate plant. So that will be reduced from the caprolactam availability.

**Nirav Jimudia:** Got it. And sir, also, if you can share in terms of our total capex for this 1,98,000 tons of sulphuric acid plant, which is getting commissioned this financial year? And also, if you can share like last time you mentioned that the new 1,98,000 tons of phos acid and sulphuric acid plant will

have a capex of around INR1,500 crores. So of that INR1,500 crores, how much we have spent till now?

And the plant which we are going to commission by March '25, how much is the total capex and how much we have spent till now?

**S.K. Bajpai:** Actually, there are 2, 3 questions you have asked. This Sulphuric Acid V project that will be having around INR250-odd crores, that is in Vadodara. So we're putting the facility to meet the requirement for production of ammonium sulphate. Second question what you have asked the Sikka phosphoric acid or sulphuric acid plant of INR1,500 crores, that is still in the detailed engineering stage. So there is no much expenditure till now.

But till the time we receive the detailed engineering done and the equipment is ordered, then only the expenditure will take place. Your third question was in the 31st March, what will be the expenditure? It is around INR200 crores we will be required to release the fund in the 2 months.

**Nirav Jimudia:** Correct. So the INR500 crores capex what you mentioned, which needs to be spent, of that INR200 crores will be by March and INR300 crores will be spent in next financial year, right?

**S.K. Bajpai:** Next quarter or first half of the '25.

**Nirav Jimudia:** Correct. But that doesn't include that INR1,500 crores of capex...

**S.K. Bajpai:** No, no, no. That does not include.

**Nirav Jimudia:** Correct. And sir, last question is like if -- with the commissioning of this Sulphuric Acid V plant of 1,98,000 tons, our total capacity of sulphuric acid will be now close to around 1 million ton?

**Moderator:** Sir, are you there?

**S.K. Bajpai:** Just give me a moment.

**Moderator:** Sure.

**S.K. Bajpai:** It'll be around 0.8 million -- 0.9 million. Yes.

**Nirav Jimudia:** 0.9 million. Right. And sir, given the kind of our quarterly production for the fertilizers, how much is our quarterly requirement of phos acid?

**S.K. Bajpai:** See, phos acid, requirement are there 2 places, Vadodara and Sikka, right? We have a plant at Sikka, where we require around 4,00,000 tons of solution to run the plant at capacity level. And Vadodara is lesser. It is around 1,80,000 tons of solution. So both capacity -- here we have our own plant of PA in Vadodara. At Sikka, we want to establish it that is there.

**Nirav Jimudia:** Correct, correct. So this 1,98,000 tons would further bring down our requirement of phosphoric acid once the detailed engineering and everything is complete, right?

**S.K. Bajpai:** Yes.

**Nirav Jimudia:** And sir, last question from my side is on the rock phosphate side for our phosphoric acid. So are we in the process of getting some long-term contracts or investing in some of the mines outside India, whereby our requirement of rock phosphate gets addressed or something of that sort? Are we in any discussions with any of the suppliers whereby that requirement could be taken care of?

**S.K. Bajpai:** Yes, yes, we are scouting for this rock phosphate, and we have made a visit, our executive team along with our MD, visited Dubai to source that and Jordan Rock Phosphate and other suppliers, the major suppliers we have spoken to. And we are quite hopeful rock phosphate availability is certain and there will not be any problem. However, at appropriate time, we will execute the agreement.

**Moderator:** Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing comments.

**S.K. Bajpai:** Okay. Thank you for patient listening, and we hope that we have given the satisfactory replies to all the callers. And thank you once again for joining the call.

**Moderator:** Ladies and gentlemen, on behalf of GSFC Limited, that concludes this conference. You may now disconnect your lines.