



SHREE PUSHKAR CHEMICALS & FERTILISERS LTD.

CIN: L24100MH1993PLC071376

(A Government of India Recognised Export House)

An ISO 9001:2015 & 14001:2015 Certified Company

Office No. 301/302, 3rd Floor, Atlanta Center, Near Udyog Bhavan

Sonawala Road, Goregaon (East), Mumbai - 400063, India

Tel.: + 91 22 4270 2525 Fax: + 91 22 2685 3205

Date: 17th February, 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 12th February, 2025

Pursuant to Regulations 30 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to our letter dated 3rd February, 2025, intimating you about the earning conference call for Q3 & FY25 with Analysts/Investors held on 12th February, 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



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• Dyes Intermediates

• Acids

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• Animal Health & Nutrition

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“Shree Pushkar Chemicals & Fertilisers Q3 FY25 Earnings Conference Call”

February 12, 2025



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

Moderator: Ladies and gentlemen, good day and welcome to the Shree Pushkar Chemicals & Fertilisers Q3 FY25 Earnings Conference Call.

As a reminder, all participants' lines will remain 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 the operator by pressing '*' then '0' on your touchtone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pankaj Manjani – Company Secretary & Compliance Officer. Thank you, and over to you, sir.

Pankaj Manjani: Good evening, everyone, and we welcome all the participants to Shree Pushkar Chemicals & Fertilisers Limited Q3FY25 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 evening to everyone and welcome to Q3FY2025 Earning Call of Shree Pushkar Chemicals & Fertilisers Limited. Friends I hope you had an opportunity to review our financial results as well as investor presentations which are available on the Stock Exchange as well as on the Company's website.

As a reflect of our performance for the 3rd Quarter, we are pleased to report consistent growth across our business segments supported by strong demand trends and a favorable industry environment. Our fertilizer division saw a sales volume increase to 70,046 metric tons, marking a substantial 49.9% growth year on year, while our chemical division recorded sales of 15,147, reflecting 2.3% decline compared to Q3FY24. Overall, total sales volume of the quarter reached 85,193 metric tons year on year increase of 36.1%.

Friends, in lines with our expansion strategy, we have invested 16.41 crores in CAPEX during Q3FY25, bringing the total capital expenditure for the year up to 84.9 crores as on December 31, 2024 and the entire funding is through internal accruals. These investments focus on increasing production capacity, improving cost efficiency, and reinforcing our competitive edge in the market.

A key milestone during the quarter was approval of scheme of amalgamation between our wholly owned subsidiaries, Madhya Bharat Phosphate Private Limited and Kisan Phosphates Private Limited. This merger is a strategic move aimed at streamlining operations, optimizing resources allocation and enhancing synergies across the group. By consolidating these businesses, we expect to achieve cost efficiency and eliminate risk and strengthen our business position in the fertilizer sector. This initiative aligns with our broader goal of driving long-term

value creations for our stakeholders. A key highlight of our financial strategy remains our no-lien deposit facility, which stood at Rs. 146.19 crore as on 31st December 2024. This facility provides us the strong liquidity and financial flexibility, enabling us to support both ongoing operations as well as future strategic initiatives with confidence.

Friends, looking ahead, we remain optimistic about our business environment supported by infrastructure development, manufacturing growth, a favorable government initiative. We will continue to leverage these opportunities through strategic investments, operational efficiencies, and a sharp focus on sustainable growth.

With that, I would like to hand over the call to our CFO – Mr. Deepak Beriwal, to walk you through the financial performance of the quarter. Over to you, Deepak.

Deepak Beriwal:

Thank you, sir, good evening everyone and thank you for joining us today.

I will now take you through the highlights of our financial performance for the third Quarter of FY2025. In Q3FY25:

The fertilizer division achieved a robust sales volume of 70,046 metric tons, marking a substantial growth of 15% and a strong 49% increase compared to Q3FY24. Meanwhile the chemical division delivered a sales volume of 15,147 metric tons reflecting a decline of 2.3% quarter on quarter and year on year decrease of 4.6%. Together these results brought the total sales volume for the quarter to 85,193 metric tons, a 36% year-on-year growth. For nine-month FY25, the Fertilizer Division maintained its growth momentum, achieving a 31.7% increase in volume, reaching 2,664 metric tons. Meanwhile, the Chemical Division exhibited stability recording a 1.5% rise in volume totaling 46,600 metric tons.

On the financial front, consolidated revenue for Q3FY25 stood at Rs. 217 crore, registering at 24.3% growth year on year. EBITDA for the quarter was Rs. 22.4 crore up by 60% year on year, translating to an EBITDA margin of 10.3%. Net profit for Q3FY25 came in Rs. 15.9 crore representing a year-on-year growth of 108% with the net profit margin of 7.30%. For the 9 months ended December 31, 2024 our revenue reached Rs. 586.9 crore reflecting a growth of 9.6% compared to the same period last year. EBITDA for the 9 months amounted to Rs. 59.2 crore a 41% increase year on year with the EBITDA margin of 10.1%. Net profit for the 9 months was Rs. 42.1 crore, a significant 75% improvement year on year yielding a net profit margin of 7.2%.

With that we open the floor for questions. Thank you so much.

Moderator:

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session.

The first question comes from the line from Prit Nagersheth from Wealth Finvisor. Please go ahead.

- Prit Nagersheth:** Good afternoon. First of all, wanted to congratulate the management on delivering very strong numbers. Punitji, you have walked the talk, what you were saying has been delivered. So, congratulations.
- Punit Makharia:** Sir, congratulations for keeping faith and trust in the Company. And we have been always trying our level best to be very transparent and give the actual visibility what we feel. And by grace of the God and thanks to our team, our team has been successful in achieving the targets what we planned. Still, we have to go a long road ahead. Let's see. God is great. We'll do that.
- Prit Nagersheth:** Sir, our guidance for FY25, . Should we assume that's on track, build up the strong performance in Q3?
- Punit Makharia:** Sir, the guidance of FY24-25, which we had given in my con calls before, that was always around Rs. 800 crores total revenue. And by Q3, we have done almost Rs. 586 crores. So, the balance is of Rs. 214 crores. I am quite hopeful that we will go above Rs. 800 crores. So, I think we will be able to achieve this Rs. 800 crores plus business in this financial year. This is what we had targeted and we visualized before.
- Prit Nagersheth:** Right, sir. Sir, in BIS, there was an update for your products, from the Government. The Bureau of Systems. What impact will it have on your Company? I am assuming it will be positive but if you can shed some light?
- Punit Makharia:** 100% it will be positive. Every time on con-call the China factor used to come, it will be almost full stop. Nowadays anyways the import from China has lessened. If you open the database and see, imports from China have decreased a lot. The imports that are left, they will also be down in a terrible form. And K-Acid is made practically by us alone in India today. Sorry, I should not say like this, but things would be much better. Visibility will be much better. Notification will be implemented from May 14th onwards.
- Prit Nagersheth:** Very good. Is there any early impact of this, where people have started ordering more, do you see any Q4?
- Punit Makharia:** The impact will come in the first quarter of next year, because if the notification is being implemented from May 14th, so all the shipments before May 14th will be clear or not, it is difficult to read the underline. But one thing is for sure, the shipments after 14th May will be clear.
- Prit Nagersheth:** So, what impact can we have in terms of volume and realization?
- Punit Makharia:** There will be no impact on volumes because the capacities you are making, you may not be able to make more capacities than that. But definitely there should be a good impact in terms of realization. Plus, the competition of China will not remain in the coming time. Because as of today, to get a BIS approval to a Chinese Company looks bit difficult.

Prit Nagersheth: Right sir. So, sir, what do you think will be the guidance for next year? If this year is Rs. 800 crores, what can we expect from FY26?

Punit Makharia: Sir, I can expect a growth of a minimum of 25%.

Prit Nagersheth: So, you are thinking of a target revenue of around Rs. 1,000 crores?

Punit Makharia: There is hope, sir. There is complete hope. So, from today's date, the 15 months that are visible from here, the visibility is there. If something unexpected happens tomorrow, I cannot say. Otherwise, it is visible. Because we will start an expansion in our unit 5 in April. Plus, the expansion of unit 6 will start somewhere around Diwali. I don't see any challenge in 25% growth sir, if you ask me. And one more thing I would like to tell you is that along with this, the bottom-line is also slowly improving. Like I said in the last call, if you go back, we were almost at 5%. Now we are at 7%-7.25%-7.5% anyhow. The EBITDA margins have also improved. The PAT margins have also improved. Things are improving sir. I think the old numbers, the things are coming back in stream.

Prit Nagersheth: So, sir could we expect 14% EBITDA for FY26 if there is a topline growth, are you seeing that possibility?

Punit Makharia: Sir I don't have that much fine visualization, I am telling you honestly but yes, I think the coming time will be better and the results we have achieved today and in the coming time it will be better. You will ask me specifically the number, I don't have the habit of talking too much, I am a very conservative type of person. But it will be much better than today's situation. I think let this fourth quarter go, I would be able to address your question also somewhere by the end of Q4 only.

Prit Nagersheth: Do you see any impact of Bangladesh, that was before?

Punit Makharia: Bangladesh has no impact before and still has no impact. I don't understand where you got the impact of Bangladesh. Because we have been doing smooth business with Bangladesh. None of our shipments have been held up. None of our payments have been held-up. None of our customers have given any impression that there is no work. Sir, the entire economy of Bangladesh is based on textile. There may be some hiccups in between, that is all because of the politically-motivated issues. I was never under depression about Bangladesh.

Prit Nagersheth: Sir, how is the order book of fertilizer and chemicals looking for the next 3-4 weeks?

Punit Makharia: Sir, we book order books for 1-1.5 beforehand itself.

Prit Nagersheth: Yes sir.

Punit Makharia: We don't do anything more than this. I mean, even if someone comes to me, I don't do it. Those quarterly contracts, yearly contracts, all these practically when there is demand in the market,

the long-term contracts are not workable. If there is any difference in price in 5-10% range, then both buyer and seller find the other way.

Prit Nagersheth: Sir, as you are sitting in mid-February, you have booked for 1.5 month, so you can be booked until March end for a Quarter 4? We can estimate that.

Punit Makharia: Yes, absolutely. That's why I'm telling you that by March, INR800 crores is now clearly visible.

Prit Nagersheth: Right. Very good. And sir, can you give us any update on the CAPEX? The one that we had completed, the CAPEX worth around Rs. 200 crores.

Punit Makharia: Sir, we have already invested Rs. 85 crores in the CAPEX. Even after investing Rs. 85 crores, 146 Rs. crores loans and investments are still left. The work is still going on. And I hope that by sometime, by Diwali 2025, we should be able to come in trial production or maybe by December, commercial production. Like in CAPEX, there was an expansion in unit 5 which we are starting in April. We completed unit 4, unit 6 is running. We completed solar 3.8 MW and started it. We almost completed it in MVPL we have almost completed everything. Only a few units of Unit 6 are left. And a few units of Unit 5 are left. Unit 5 will start somewhere in April 25. And Unit 6 will get completed close to Diwali.

Prit Nagersheth: So, earlier the estimate was Rs. 200 crores, is it the same or is there any revision?

Punit Makharia: There is a little reduction. There was a particular project from that which we are seriously thinking to scrap out. There was a proposal from Caustic. Our internal consumption of caustic is 1500 tons per month. Plus, caustic produces bioproduct called chlorine and chlorine was also our internal 650-700 ton of own consumption. What we were thinking is that to go for a caustic 50 TPD plant wherein our entire requirement is met as well as getting chlorine also for our home consumption. So, we were working on that plant, but we are almost on the verge of scrapping.

Prit Nagersheth: So, if it gets scrapped, how much more requirement of money will you have? And the rest is CAPEX?

Punit Makharia: If it gets scrapped, then you will get around Rs. 155-160 crores.

Prit Nagersheth: Okay, so more around Rs. 85 crores on this.

Punit Makharia: Yes, Rs. 85 crores against that Rs. 146 crores is lying with us.

Prit Nagersheth: Correct.

Punit Makharia: So, you don't need to go to the bank ever. That's the thing.

- Prit Nagersheth:** One more question, sir. The global changes that are happening, Trump and all that, you have already told us that China has become very less. But how do you feel about the environment? Do you see any impact? Positive or negative? Can you give us some tips on that?
- Punit Makharia:** Sir, honestly, I don't have that much visibility. I will talk very straightly to you. I don't want to prove myself a great intellectual man. The other thing is that I don't see any long story in the field where we are working. Today, think of it as Trump's policies, these might be countries to countries, where in the sector, where in we are, I don't see any issues into those sectors. And plus, America was never our market and still is not our market. Neither we buy anything from America, neither we sell anything to America.
- Prit Nagersheth:** Sir, what is our chemical utilization percentage?
- Punit Makharia:** Chemical utilization I believe would be around 50% to 55%. And Fertilisers 60% to 65%. There is still potential that we can increase the chemical sector by 15% to 20%.
- Prit Nagersheth:** Okay, next year, in FY26?
- Punit Makharia:** Yes. Now you will ask why haven't you done it yet? It is that we have work very cautiously. It is not necessary that you do high volumes and do big topline and not able to do in the bottom-line below. If the market wants to correct, if some improvements need to done, improve pricing, so there are multiple formulas for that. Whichever you get some money, do that work. Like in BIS we also got support from government for our industry. I think this 15%-20% whatever balance is there can be ramped up immediately, that is not a big issue.
- Prit Nagersheth:** Right sir. Thank you so much for answering all the questions.
- Punit Makharia:** If you have noted anything else in that, I don't know. There was a fire accident in our factory at unit number 1. Because of that accident, our unit was closed for almost 45 days, which has been reported to the exchange also.
- Prit Nagersheth:** So, even after that the numbers are good. So, the full year will be great.
- Punit Makharia:** There is still a lot of space in this. What I am talking to you about, 800 to 1,000 crores is a very over conservative thing. So, you are an investor, right? Without being too optimistic, conservative things that are there, let us have a target on that.
- Prit Nagersheth:** Thank you so much, sir.
- Punit Makharia:** Thank you very much.
- Moderator:** Thank you. The next question comes from the line of Harshil Solanki from Equitree Capital. Please go ahead.

- Harshil Solanki:** Hi, team. Good afternoon. Sir, I wanted to ask you about dyes. Last quarter we built an inventory of dyes, and we were to sell it this quarter at a higher price. But if you look at the volumes of the current quarter, there is a degrowth. So, we wanted to understand why this degrowth has come in volumes.
- Punit Makharia:** Sir, in Q2 FY25, 732 tons of the dyes we had sold. In Q3 2025, 965 tons we have sold. The degrowth you are talking about will be seen in the acid business. It is correct. That is mainly because of our subsidiary Kisan Phosphates Private Limited. In that particular period, the Kisan's plant was close on shut down. Because the acid business goes into annual shutdown for 40 days a year. So, if you talk about dyes, there is no degrowth, there is growth. Almost 20% growth. It is 732 to 965. If you see in the intermediates, it is 2170 to 2431.
- Harshil Solanki:** Okay, sir. So, we report the total amount in the chemical division, so it's clear.
- Punit Makharia:** No, sir, you asked about the dyes, you were specific on the dyes vertical. But if you look at it this is overall, so you will see that there is a little degrowth. That is mainly and only because of the acid business, because Kisan's acid plants was under shutdown.
- Harshil Solanki:** But sir, we had inventory, right. We have already built it. So, we must have sold that, right? If production is still impacted, then we will get less volumes in Q4?
- Punit Makharia:** Sir, if you say vertical, then it will be understood. I will not be able to understand in such multiple products, which vertical you are talking about. Are you talking about intermediates, dyes, Fertilisers, animal health, acid, others? What are you talking about? It will be difficult to address your concern.
- Harshil Solanki:** Sir, this much break-up is not available in your PPT. But I am saying that last quarter, whatever we have talked, so you have said that you have built the inventory, and we will sell it. But you said that the volume of the acid has been impacted because of the fire.
- Punit Makharia:** In intermediates it has come from 2170 tons to 2431 tons. So, almost old inventory of 300 tons has been sold out. Same way it was in dyes also if you put all together it is 2802 tons of dyes and intermediaries in Q2 and Deepak please add 2431 plus 965; close to 3500 tons, so it has come from 2800 tons to 3500 tons. That is not a degrowth sir. Then also you please see to it. Still if anything is there, you can get in touch with Churchgate Partners. They will come back to us, and we will try to address your query.
- Harshil Solanki:** Sir, there was one more question. Due to the DAP shortage, people are buying SSPs, and our numbers are good in the fertilizer division. Do you think that when the supply of DAP will become normal in the future, will farmers continue SSP or shift back to DAP? What do you think? Because then our current performance will be normalized if we can keep the customer from going back to DAP.

Punit Makharia: Sir, it is not like this, that since DAP is not there, my shop will run because of that, there is no thought process of the industry or business. Any business, any industry you do, this has to be stable and sustainable footings. If DAP doesn't sell, then my product will sell, then my growth will come. That is not the concern, sir. Number one. Number two. Let me tell you, sir, DAP does its work and SSP does its work. Where there is a shortage of DAP, definitely SSP gets a little strength, a push. But in addition to SSP, there are other products like NPK complex, which takes greater market share of DAP in case of shortage of DAP. But anyways we are not relying upon the DAP shortage or the excess DAP supply or regular DAP supply. Mainly we are building our own brand and customer base whereas we are not dependent on the DAP thing but yes if you see DAP business and SSP business are closely interrelated but still our attempt is that our SSP is not sold according to DAP. So, now if you see, in 2023-24, we sold a total of 2,06,000 tons of SSP. All put together from all the units. So, now in this financial year, I think we should be touching close to 2,75,000 tons. Still we have 1.5 months to go. So, the target is 75,000 ton and marketing is doing good and people are having great penetration into the market also. So, it is all going on, there is no issues at all.

Harshil Solanki: Thank you for answering all the questions.

Moderator: The next question comes from the line of Souresh Pal from KRSP Capital Limited. Please go ahead.

Souresh Pal: Thanks for the opportunity sir. Sir, as I can see, if I compare our volumes and revenue from Quarter 2 to Quarter 3, I can see that both in fertilizer as well as chemical division, the revenue growth is more than volume growth. So, it is clear that there has been a price increase that we have enjoyed in Quarter 3. But in our presentation, you have reported that there is a contraction in gross margin. So, I don't understand. If pricing has improved because revenue growth is more than volume growth, then how come there is a reduction in gross margin, sir? That's my question.

Punit Makharia: Let our CFO see in the data about this question, sir.

Souresh Pal: Sir, am I right about the pricing growth, that is part I am, right? There has been a pricing increase in Quarter 3 versus Quarter 2.

Punit Makharia: Quarter three and nine months FY25 consolidated profit and loss segment? we see is that EBITDA margins have improved from 8% to 10.3%. Here we can see the EBITDA amount has gone from Rs. 14 crores to Rs. 20 crores.

Souresh Pal: No, sir, I am comparing Quarter 2 Financial Year '25.

Punit Makharia: 10.9 has become 10.3, you are trying to say that?

Souresh Pal: No sir, I am talking about gross margin.

Punit Makharia: 38.4 to 35.3, this is gross margin.

- Souresh Pal:** Yes, because the last two slides above, Slide #6 and #5, there it is clearly seen that Chemical segments and Fertilisers segment, in both the segments the revenue growth is more than volume growth. That means pricing has improved. So, in that case, the gross margin should have been improved.
- Punit Makharia:** That is mainly because of the inventory change. Deepak, you explain. That is mainly because of the inventory change. Sir, at every time, every price of goods is not the same always, sometimes it is of high price, sometimes it is of low price, sometimes it has old commitments, sometimes it has new commitments.
- Souresh Pal:** So, sir, this is seen because of accounting, right?
- Deepak Beriwal** It is because of that you see that, because 24% growth has happened in sales, that means the inventory of December, a lot of it has sold out in December because of that you can see 2% margin because of the inventory.
- Punit Makharia:** That is mainly because of changing inventory sir.
- Deepak Beriwal** See sir, there is 25% growth in sales.
- Souresh Pal:** That is a very good, sir. I understood.
- Moderator:** .The next question comes from the line of Anshuman, an Individual Investor. Please go ahead.
- Anshuman:** Punitji, congratulations for a great set of numbers. You were saying about it in all con-call and it is now got delivered, after great hard work.
- Punit Makharia:** I know that Anshuman ji, you have been connected for 10 years, and you have been always an inspiring investor to us. You always boost us and we get a lot of energy from your energy. Thanks for that sir.
- Anshuman:** Thank you, sir. Sir, I have a few questions. The amalgamation that we have done of the Kisan Phosphate Private, Kisan and Madhya Bharat, will this make a difference in Pushkar's original topline?
- Punit Makharia:** No sir, there will be no difference in Pushkar. Both are 100% Pushkar's subsidiary. Even today, the results are merged. Even then, the results will be merged. We are simply merging the Madhya Bharat and Kisan. Just understand that Pushkar has two subsidiaries, Instead of two, it will be one.
- Anshuman:** Okay, the second thing is, of the new fertilizer plant that is about to come, when will the tentative topline start?

- Punit Makharia:** Till Diwali, we tell our people that we will take trial in September. I think it will be Diwali for the trial. And if trial happens in Diwali, then I believe that in 25-26 there will be full in Q4 and if in '25-26 if we get Q4, then will get a revenue of 1.25 to 1.5 crores.
- Anshuman:** Sir, in the last call you gave us guidance that this FY25 we should be doing somewhere around 60-65 and next year's tentatively 80-85. You estimated profit of Rs. 65 crores.
- Punit Makharia:** I am scared that I will tell you something and you will catch and sit on it. I always talk conservatively. I always told about the around 60 crores side. 8% I told you about PAT. 64 comes in 8% for which I told him that we will achieve at least 60.
- Anshuman:** Sir, next year the fertilizer in Q4FY25, you estimated around 80, can it be better than that?
- Punit Makharia:** You do the math above 80, else you will comeback saying you said this, you said that. Please go with the understanding that this year we see a visibility of 800 crores, in that we are seeing visibility of 60 crores plus minus 5%. Next year, somewhere, a number of 1,000 should come. And in that also, like this year, if we consider that 7.50%-8.75% of the PAT is done, which we are talking about today, then somewhere, 8%-8.5% PAT should come. So, that is the same, that is, 80 crores plus minus 5 percent of the number should come.
- Anshuman:** And sir, next year we will get the whole year of fertilizer?
- Punit Makharia:** Absolutely.
- Anshuman:** Of the new plant?
- Punit Makharia:** That should be around 1500 Anushuman ji.
- Anshuman:** 1500?
- Punit Makharia:** Sir, a new plant is starting
- Anshuman:** Yes, new plant is starting, right. And sir unit 5, the chemical is also doing a new expansion, right?
- Punit Makharia:** It will start in April 2025, in 2-3 months.
- Anshuman:** But we are on track now.
- Punit Makharia:** There is no long story in this. And the second thing is that even if we are a little late, then the story of project overrun, which is formed by majority party forms interest, then there is no material also.

- Anshuman:** Yes. It is absolutely right. Okay sir, I wanted to ask you one thing. Relief has given in income tax, And the interest rates are decreasing. So, it seems that the demand for clothes will increase. So, sir, will it affect our Dyes business? Will it get better?
- Punit Makharia:** Sir, look, there are multiple things along with clothes. Since we are integrated. Like the first question that was discussed by a brother on BIS that will also have a big impact and demand growth avenue is getting better and sir, the second thing is that dollar is increasing right? Rs. has been crossed, visibility of Rs. 92 is there for the people. So, you know all these factors will work in our favor.
- Anshuman:** Sir, how is dollar appreciation coming in our favor sir?
- Punit Makharia:** Sir, the people who order dyes or intermediates in imports.
- Anshuman:** So, will the importers take it from us? That is right.
- Punit Makharia:** If you look at the dollar on February 2024, it was Rs. 83 and change.
- Anshuman:** Absolutely correct.
- Punit Makharia:** Today it is Rs. 87.
- Anshuman:** Yes.
- Punit Makharia:** Historically as a safe calculation, you always calculate close to 4% as a hedging cost. So, we have to account for that too.
- Anshuman:** Yes.. So, that will also benefit us. Imports will decrease. We will be more competitive.
- Punit Makharia:** We have hope, Anshumanji.
- Anshuman:** Okay, Punitji, thank you very much. And all the very best.
- Moderator:** Thank you. We take the next question from the line of Raman KV from Sequent Investments. Please go ahead.
- Raman KV:** Congratulations on a good set of numbers. Sir, I just wanted to understand how sulfuric acid prices have has panned out in the last 4-5 months.
- Punit Makharia:** Sir, the price of sulfuric acid has been coming up from Rs. 7,000 per ton and has become Rs. 9,500 per ton . But if you look at sulfur, sulfur has also been behaving in a similar manner. The item of sulfur which was Rs. 10-Rs. 12-Rs. 13 per kilo, today it is almost Rs. 19-Rs. 20 per kilo. So, let me tell you whatever the increase of the sulfur prices has been there, impacted into the market, the same kind of result and we have been able to pass on the cost of sulfur to our acid business.

- Raman KV:** So, you have been able to pass on the cost
- Punit Makharia:** We are able to.
- Raman KV:** And do you have sulfur, to produce sulfuric acid or do you procure it from outside?
- Punit Makharia:** Sulphur is a byproduct of refinery. We don't have a refinery business. We source it from outside.
- Raman KV:** Have you recently bought sulfur in bulk or buy it every quarter or every month?
- Punit Makharia:** We have buying in mainly into the imports. And it is a continuous efforts. It is a continuous input of the material. Whenever the import cargo is here and there, that time we go into the market and buy locally. Mainly our reliability of sulfur is on to imports because we are almost situated at the port. So, whenever we calculate and buy sulfur, we always calculate net of the normal landing price at the plant. So, looking at the transport and other cost you always see that the import is more viable; a) because of the price b) because of logistically also. Since we consume almost 4,000 tons of sulfur in a month, we have to source it locally, we have to see about the logistics so it is a little bit of a challenge. So, therefore we always prefer imports.
- Raman KV:** Okay, sir. Sir, one last question on sulfuric acid. Sir, the price you mentioned, 9,500, is it more likely to go higher than this in the coming 1-2 months with respect to this particular quarter, Q4?
- Punit Makharia:** No, I can't say. Sir, it will be a speculation. I won't like to comment on any such opinions about this question.
- Raman KV:** Okay, sir, what are the margins with respect to fertilizer business and chemical business, EBITDA margin?
- Punit Makharia:** We don't have any individual margin because our is a consolidated business. So, it is difficult to take out intermediate, dyes, Fertilisers, animal health, acid. We don't have that. We have consolidated margin practice. So, we don't have any such independent because the whole operation is consolidated.
- Raman KV:** Okay, I understand sir. Thank you.
- Punit Makharia:** Thank you, sir.
- Moderator:** Thank you. As there are no further questions, I now hand the conference over to Mr. Punit Makharia, Chairman & Managing Director for his closing comments.
- Punit Makharia:** Thank you everyone for joining our Q3 and nine months FY2025 earning calls. If you have any further questions, please feel free to contact with our Investor Relations Advisor, Churchgate Partners and we will be great happy to address your queries. Thank you, gentlemen. Thank you, friends.

Moderator: Thank you. On behalf of Sri Pushkar Chemicals & Fertilisers Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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