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OSTWAL

KRISHANA PHOSCHEM LIMITED

(An ISO 9001:2015 Certified Company)

Date: 23.11.2026

To,
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051

Dear Sir / Madam,

Subject: Earnings Conference Call Transcript of Q2 FY27

Pursuant to Regulation 30 and 46 read with clause 15 of Para A of Part A of Schedule III of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the transcript of Q2 FY27 Earnings Conference Call organized by the Company on November 18, 2026 at 12.00 P.M. (IST).

The Transcript of the same is available on Company's website at following link :-

https://docs.google.com/viewerng/viewer?url=https://api.ostwal.in/api/v1/media/kpl/investor-info/b4a58909-d5ab-4774-b90f-eb44e08d83a8

Kindly take the above-information on records.
Thanking you,

Yours faithfully,
For Krishana Phoschem Limited

ANIL SHARMA
Digitally signed by ANIL SHARMA
Date: 2026.11.23 13:08:43 +05'30'

Anil Sharma
(**Company Secretary)**
M.No. ACS - 25045

Place :-Bhilwara

Krishana Phoschem Limited
Q2 and H1 FY27 Earnings Conference Call
November 18, 2026

Moderator: Good afternoon, ladies and gentlemen. A very warm welcome to the Q2 and H1 FY27 Earnings Call of Krishana Phoschem Limited.

From the senior management we have with us today Mr. Praveen Ostwal – Managing Director. Mr. Sunil Kothari – Chief Financial Officer. Mr. Pukhraj Kanther – Group Financial Advisor. Mr. Anil Sharma – Company Secretary.

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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sunil Kothari. Thank you and over to you.

Sunil Kothari: Thank you, Yashashree. Good afternoon, everyone and welcome to the Earnings Call for Krishana Phoschem Limited.

Before we begin the earnings call, I would like to mention that some of the statements made during today's call may be forward-looking in nature and may involve risks and uncertainties, including those related to future financial and operating performance. Please bear with us if there is a call drop during the course of the conference call. We will ensure that the call is reconnected as soon as possible.

I would like to hand over the conference to Mr. Praveen Ostwal – Managing Director. Over to Praveen, sir.

Praveen Ostwal: Good afternoon, everyone and a warm welcome to Krishana Phoschem Limited's Q2 and H1 FY27 Earnings Conference Call. Thank you for joining us today. We are happy to report a strong performance in Q2 and H1 FY27 with the company recording its highest ever half-yearly financial performance.

This reflects our relentless focus on operational efficiency, cost optimization and disciplined execution which enabled us to navigate the challenging operating environment and deliver this milestone. I will walk you through the broader industry landscape, global raw material trends and key policy developments before diving into our financial highlights and strategic outlook.

1. Industry Overview:

The domestic fertilizer industry navigated a mixed operating environment during Q2 FY27 with uneven monsoon distribution, cautious dealer restocking and changing crop nutrition preferences influencing NPK demand.

Uneven rainfall in the agricultural regions affected Kharif sowing and moderated fertilizer consumption, particularly in the phosphatic and potassic segments. Consequently, SSP production and sales saw a moderate decline across the industry while NPK complex fertilizers experienced a sharper contraction. During the Kharif season, price gaps led farmers to heavily favor DAP and urea resulting in imbalanced soil nutrient profiles.

However, looking beyond these near-term headwinds, the structural demand drivers for our sector remain firmly intact, particularly for the upcoming Rabi season. Improving affordability, backed by strong government subsidy support, is now prompting farmers to shift towards balanced NPK Grades during Rabi season to restore soil health. Simultaneously, the higher subsidy outlay restores healthy unit economics for manufacturers, encouraging the industry to ramp up production and ensure steady supply.

2. Global raw material environment:

On the global front, fertilizer markets continue to grapple with input cost pressures and supply chain uncertainties. Regarding international raw material prices, phosphoric acid and sulfur remained elevated while ammonia prices softened slightly and rock phosphate stayed broadly stable. At the same time, geopolitical tensions in West Asia and transit uncertainties around the Strait of Hormuz disrupted international trade flows, driving up freight and insurance costs.

In navigating this volatility, our backward integrated manufacturing setup, diversified product portfolio and proactive procurement strategies proved to be vital differentiators, helping us protect margins and maintain supply chain resilience.

3. Policy and Regulatory Developments:

The government continued to support the fertilizer sector through measures aimed at ensuring availability, improving affordability and promoting balanced nutrient application.

- **Nutrient Based Subsidy (NBS):** The Union Cabinet approved approximately Rs 62,370 crore under the NBS scheme for Rabi 2026-27, compared with Rs 37,952 crore in the previous Rabi season.
- **Special support for sulfur and sulfuric acid costs:** The government introduced special support equivalent to 20% of actual procurement costs for domestic sulfur and sulfuric acid manufacturers, subject to floor prices.

- **SSP freight subsidy:** Continued freight subsidy support for SSP during the Rabi season is expected to facilitate affordability and distribution across agricultural markets.
- **Minimum Support Prices (MSP):** High MSPs were announced for key Rabi crops for 2027-28 marketing season, particularly mustard, safflower, lentils, supporting farmers' incomes and crop diversification.
- **PM-PRANAM Initiative:** The initiative continues to promote balanced nutrient application, improve fertilizer use efficiency and encourage sustainable agricultural practices.

4. Financial and Operational highlights:

Coming to our performance, our focus on operational efficiency and cost optimization supported strong financial and operational results:

Q2 FY27 Performance:

- **Revenue from Operations:** Rose 16% YoY to ₹703 crore.
- **EBITDA:** Surged 74% YoY to ₹127 crore, with EBITDA margin improving to 18% from 12% in Q2 FY26.
- **Profit After Tax (PAT):** Increased 135% YoY to ₹78 crore.
- **EPS:** Stood at ₹2.52 for the quarter.

All-Time High H1 FY27 Performance:

- **Revenue from Operations:** Increased 23% YoY to ₹1,235 crore.
- **EBITDA:** Rose 56% YoY to ₹216 crore, with EBITDA margin improving to 18% from 14% in H1 FY26.
- **Profit After Tax (PAT):** Surged 96% YoY to an all-time high of ₹125 crore.
- **EPS:** Stood at ₹4.04 for the half-year period.
- **Volumes:** Fertiliser production stood at 1,81,906 metric tonnes, with sales of 1,70,783 metric tonnes.

5. Business outlook and strategic priorities:

Moving to Rabi season**,** agricultural productivity is expected to benefit from higher MSPs for key crops, particularly mustard and lentils, along with continued government support.

The enhanced NBS outlay for Rabi 26-27 improves unit economics across the value chain and makes balanced NPK rates more affordable for farmers looking to replenish soil nutrients. Paired with any potential softening in global raw material prices, these tailwinds should strongly support NPK consumption and overall industry volumes. While we remain watchful of global raw material trends and geopolitical developments, our internal roadmap is clear.

Our key priorities for the coming quarters are:

1. **Capacity Utilisation and Production Growth:** Ramping up newly commissioned capacities, improving utilisation and increasing production volumes.
2. **NPK Business Expansion:** Scaling up manufactured NPK production while leveraging trading opportunities to cater to evolving demand and enhance product offerings.
3. **Market Expansion:** Deepening distribution penetration, widening product availability and strengthening dealer and channel relationships.

To sum up, with our expanded manufacturing capabilities, strong operational leverage and multiple growth avenues, Krishana Phoschem is well-positioned to capitalise on the upcoming demand revival and emerging market opportunities, to further strengthen our market position.

Simultaneously, we are actively evaluating expansion opportunities across industrial chemicals and new geographies to diversify our growth engines. I would like to thank all our stakeholders, our farmers, dealers, employees and shareholders for their continued trust and support.

With that, I request the moderator to please open the floor for questions. Thank you all.

Moderator: Thank you very much. We will now begin the question-and-answer session. We will take our first question from the line of Mithansh Modi, an Individual Investor. Please go ahead.

Mithansh Modi: Good afternoon, sir, and congratulations on the excellent EBITDA margins and PAT growth. I have a few questions. Firstly, I would like to know about the prices of NPK and DAP fertilizers offered to the end consumer. Have there been any price increases in finished products due to higher raw material costs?

Pukhraj Kanther: If you are referring to the first half, yes, there has been a slight increase in the prices charged to the end consumer, as the offset provided by the Government of India through NPK subsidy has not been adequate. However, the situation is expected to normalise in the second half, during which we propose to reduce the cost to farmers.

Mithansh Modi: Okay, sir. So, following the price increase, have consumers been hesitant to purchase NPK and DAP fertilizers during Q1 and Q2 of the first half?

Pukhraj Kanther: As our MD has already explained, with the MRP of DAP being fixed and urea availability also being good, there has been some pressure on NPK. With the increase in NPK prices, we have also faced some pressure in pushing our products into the market.

Mithansh Modi: Okay, sir. Could you throw some light on NPK and DAP demand in Q2? Has demand been affected by uneven monsoon conditions or higher inventory levels of ₹977 crore? Are we expecting robust demand during the Rabi season, or has demand shifted from Q2 to Q3?

Praveen Ostwal: We expect demand during the Rabi season to continue along similar lines. Although there are still inventories, we should be able to achieve our targeted volumes.

Pukhraj Kanther: The last quarter is a lean season, when farmers' offtake is relatively low. However, wholesalers and retailers continue to purchase. We expect demand from wholesalers to support us in achieving our targets.

Mithansh Modi: Okay, sir. And this quarter the revenue was ₹703 crore. I want to ask, is this manufacturing revenue or we are also trading?

Pukhraj Kanther: As we have been telling our stakeholders, there is demand in the market for various NPK grades. To meet the demand for our popular 20:20:0:13 grade, we are manufacturing that particular product. There is also demand for other grades, which we are currently importing as part of our market development initiatives to establish demand for these products. This will help us build a ready market as our expanded capacity comes into operation. During the first half, we imported finished NPK products across various grades. Accordingly, the revenue of ₹703 crore also includes revenue from the sale of imported products through trading operations.

Mithansh Modi: Okay, sir. Understood. In Q1, management had guided for turnover growth of 30%–35% for the full year, translating into approximately ₹3,150 crore to ₹3,200 crore. Are we on track to achieve this level of revenue by the end of the financial year?

Pukhraj Kanther: Our new capacity has now largely stabilised. Despite market challenges, the availability of DAP, farmers' preference for DAP when it is available, and higher NPK prices, we continue to face several challenges. However, considering our track record, marketing capabilities, sales team, and network of wholesalers and traders, we believe achieving the target should not be very difficult.

Mithansh Modi: Okay, sir. Understood. Lastly, short-term borrowings have almost doubled over the last six months. Could you comment on this?

Pukhraj Kanther: We have imported materials, and our turnover has also increased to nearly ₹1,200 crore. To support this level of turnover, our current asset requirements have increased. Particularly during the latter part of the half year, we undertook substantial imports, which led to an increase in borrowings. However, the borrowings are backed by corresponding assets. As long as the borrowings are supported by assets, there should not be any cause for concern.

Mithansh Modi: Yes, sir. Our reserves are adequate, so I don't think that would be a problem.

Pukhraj Kanther: Gentlemen, not only reserve. Our current assets level is also Rs. 1,700 crore. All time high.

Mithansh Modi: Yes, sir. Yes, I am just concerned about the inventory levels and trade receivables. These are very high.

Pukhraj Kanther: Whether inventory levels are higher or lower, in a country like India, fertilizer demand is not going to disappear. We have never faced any significant difficulty in selling our products. There may occasionally be some setbacks, but they are compensated for over time. If you are looking at the short term, there may appear to be some concerns. However, from a long-term perspective, the company is well-positioned to market its products.

Mithansh Modi: Okay, sir. Got it. Thank you so much and best of luck for the Rabi season. Thank you.

Pukhraj Kanther: Thank you.

Praveen Ostwal: Thank you.

Moderator: Thank you. Next question is from the line of Akshay from AQIS. Please go ahead.

Akshay: Good afternoon, sir. My first question is regarding the 56% increase in H1 EBITDA to ₹216 crore, which is significantly higher than the 23% revenue growth. What has driven this improvement in operating profitability?

Pukhraj Kanther: This is primarily due to the Nutrient-Based Subsidy (NBS) rates announced by the Government of India and made applicable during the period. The benefit arising from the valuation has increased, which has contributed to the higher EBITDA. You can consider this as a one-time variation. Otherwise, our normal EBITDA margin would be in the range of 12%–13%.

Akshay: Okay, sir. My second question is regarding the expanded NPK/DAP capacity and the recent investments in sulphuric acid. What kind of ROCE can the company achieve once these facilities reach optimal utilisation?

Pukhraj Kanther: As far as our NPK production capacity is concerned, we will certainly take full advantage of the expanded capacity. With regard to sulphuric acid, we are adopting a balanced approach. Considering the sharp increase in sulphur prices, we evaluate the availability of sulphuric acid as a by-product from other manufacturers in India. If such by-product material is available at a more competitive price, we reduce our own production. If it is not available, we increase our in-house production. Accordingly, we continuously assess the situation and take a balanced view to maintain costs. This has been one of the key strengths of the Ostwal Group, and we have consistently followed this approach. We expect to maintain our average EBITDA margin in the range of 12%–13%.

Akshay: Okay, sir.

Moderator: Thank you. Next question is from the line of Nitin Kaushik from AFIN Capital Private Limited. Please go ahead.

Nitin Kaushik: Good afternoon, sir. Thank you for the opportunity. My question is regarding the capacity utilisation expected in FY27 for both the DAP and NPK segments. Also, given the high levels of SSP capacity utilisation over the last few quarters, are we considering any capacity expansion in the SSP segment?

Pukhraj Kanther: No, we have not planned any capacity expansion in the SSP segment so far. The NPK/DAP capacity expansion has already been implemented. Regarding capacity utilisation, we are operating the SSP segment at more than 100%. For NPK/DAP, depending on market conditions, demand, sulphuric acid prices and other factors, we will try to maintain a reasonable capacity utilisation level, which may be in the range of 70%–80%.

Nitin Kaushik: So, sir, should we expect 100% capacity utilisation in the SSP segment for the full year?

Pukhraj Kanther: Yes. We will maintain it.

Nitin Kaushik: Okay, sir. That is it from my side. Thanks for the opportunity.

Moderator: Thank you. Next question is from the line of Srinath from Spark Asia Impact Managers. Please go ahead.

Srinath: Hi, sir. Thank you for the opportunity. I wanted to understand the demand trends you have observed over the last five years that have led you to undertake aggressive capacity expansion in the NPK and DAP segments.

Pukhraj Kanther: Look, whatever expansion we have undertaken, we have still been very conservative in our assessment of demand. In India, we are still dependent on imports for a significant portion of the demand for complex fertilisers. So, domestic manufacturers do not meet the entire demand. Around 35%–40% of the market is still served by overseas suppliers. Therefore, there is still scope for expansion of NPK facilities in India.

Srinath: Okay, sir. My next question is regarding the promoters. Why does the Ostwal Group have two listed fertiliser companies? What is the strategy behind this? Is there any merger plan in the future, or are the two companies being kept separate for smooth succession planning?

Pukhraj Kanther: I think you have asked two questions in one.

First, regarding the merger plan, we are very keen to merge these two companies. In fact, the group has four companies, and we would like to explore their merger as well. However, there are regulatory issues involved. As we understand, this would require a stoppage of production,

which we do not want to undertake. Therefore, if and when the Government introduces a suitable scheme that facilitates a smooth merger, we will certainly examine this possibility.

However, from the stakeholders' perspective, I would like to clarify that both companies operate independently. Both have separate management teams at the operational level and serve different market areas. Their operations do not conflict with each other. Moreover, we operate in a segment where demand exceeds supply. Therefore, whether or not a merger takes place, stakeholders remain unaffected. That covers the first part.

Coming to succession planning, the group has been operating for more than 22 years, and we have a well-planned succession framework in place. Mr. Mahendra Kumar Ostwal, the Chairman who founded the group, continues to be actively involved in its operations. He is supported by his two sons, both of whom are chartered accountants. Each has a distinct leadership role and separate responsibilities. Together, all three are steering the group towards new heights.

Our track record in terms of performance, profitability and value creation for stakeholders reflects the promoters' involvement in the affairs of the company. At the same time, we have a strong professional team at the plant, departmental and divisional levels, with the autonomy to carry out their responsibilities. These professionals work in accordance with the guidelines prescribed by their respective professional institutes.

Srinath: Okay. Got it, sir. That is it from my side.

Moderator: Thank you. Next question is from the line of Ayush Jain, an Individual Investor. Please go ahead.

Ayush Jain: Hello. Good afternoon. I wanted to understand the key reasons behind the more than 100% increase in profit. Comparing the results for September 2025 and September 2026, what factors contributed to the significant increase in profitability, particularly in a year when sulphur and ammonia prices have been rising? What has been the contribution of the increase in subsidy rates, and how is the company managing the increase in raw material prices, particularly ammonia and sulphur?

Pukhraj Kanther: A major contribution has come from the NBS policy announced recently. The increase in subsidy rates has helped offset the rising prices of sulphur, ammonia and other inputs. This has been one of the key reasons for the exceptionally high profits reported by the company.

In the long term, when evaluating a fertiliser company, it may be difficult to understand the trend in profitability by looking only at quarter-on-quarter performance. However, if you look at a longer period, say over three-year intervals, you will find that we have broadly been able to maintain EBITDA margins of around 12%–13%.

Ayush Jain: Okay. If I were to understand, how much of this contribution is from ramping up the production vis-à-vis the increase in the subsidy?

Pukhraj Kanther: I think it would be difficult to quantify separately the contributions from higher subsidy rates, increased production and our ability to control expenses. This would require a detailed analysis. If you wish, you can write to us, and we will try to provide a response.

Ayush Jain: All right. Thank you. That is it all from my side.

Moderator: Thank you. We will take our next question from the line of Lalit Kumar Sharma, An Individual Investor. Please go ahead.

Lalit Kumar Sharma: First of all, congratulations to the management of Krishana Phoschem Limited on the strong results and growth delivered for both the company and its investors. My first question is regarding growth. The company reported SSP capacity utilisation of 103% in Q2 and 121% during H1. Could the management explain the sustainability of operations beyond the installed capacity?

Pukhraj Kanther: In the last year, we introduced not only SSP but also three additional products. This is one of the reasons we have been able to maintain SSP capacity utilisation above 100%. These include SSP Boron and SSP Urea, which are receiving a good response from the market. We hope to maintain this momentum in the second half of the year as well.

Lalit Kumar Sharma: Okay, sir. Thank you. My second question relates to Q1. The management indicated that the company could achieve quarterly turnover of more than ₹500 crore from its combined NPK, DAP and SSP operations. Having achieved a turnover of ₹700 crore in Q2, how should investors look at the next stage of growth?

Pukhraj Kanther: As I mentioned, this includes a portion of the turnover from imported fertilisers as well as other variants of NPK. Our second half turnover will be better.

Lalit Kumar Sharma: Okay. Okay, sir. And third question is related to backward indication. How has the backward indication helped the company manage the sulfur and phosphoric raw material price during the current half of this year?

Pukhraj Kanther: As I told you, the price of sulfur going up which in turn increased the price of phosphoric acid has been taken care by the new subsidy regime announced by Government of India which includes the compensation for increased sulfur price also.

Lalit Kumar Sharma: Yes, sir. However, my question relates to the second half. If a similar situation arises again, with uncertainty in sulphur and phosphoric acid raw material prices, how will the company manage it?

Pukhraj Kanther: The subsidy rates announced by the government are applicable until March 2027. Furthermore, as we have mentioned, the EBITDA margin reported in the first half was exceptional. We expect to maintain an EBITDA margin of around 13% in the second half.

Lalit Kumar Sharma: Okay. Thank you. Thank you, sir. Again, I wish you good luck and best of luck.

Pukhraj Kanther: Thank you.

Moderator: Thank you. Next question is from the line of Anil Jhaver an Individual Investor. Please go ahead.

Anil Jhaver: Good afternoon, sir.

Pukhraj Kanther: Good afternoon.

Anil Jhaver: In an earlier call, the management mentioned that it would further evaluate capacity expansion opportunities. Are you planning to expand into SSP, DAP, NPK or even urea?

Pukhraj Kanther: We continuously evaluate various options, including diversification within our existing product portfolio and opportunities in new areas. Once we finalise our plans, we will disclose them to the stock exchanges.

Anil Jhaver: Okay, okay. Okay, sir. Thank you very much. Congratulations for the great results.

Moderator: Next question is from the line of Nitin Kaushik from AFIN Capital Private Limited. Please go ahead.

Nitin Kaushik: Thank you again. Sir, my question relates to capacity utilisation. SSP capacity utilisation is currently around 100%, while NPK/DAP capacity utilisation is around 70%–80%. Going forward, say after FY27, if NPK/DAP capacity utilisation reaches around 90% or higher, and assuming there are no further expansion plans, how will the company sustain its growth?

Will growth depend on raw material price fluctuations, subsidy rates or trading activities? Also, if the company relies primarily on trading to increase revenue going forward, would that affect margins?

In other words, I would like to understand where the next phase of growth will come from after FY27, once the existing capacities are operating at optimal utilisation levels.

Pukhraj Kanther: The company has always relied on manufacturing activities as its primary growth driver. Imported and trading activities have primarily served as a catalyst to help us access wider markets.

Whatever growth we achieve in the future, our primary dependence will remain on the manufacturing segment. Imports are undertaken as and when demand arises, and we continue to supply the products accordingly. The company's primary objective of relying on its manufacturing operations has never changed.

Nitin Kaushik: But sir, the manufacturing capacities are already operating at full utilisation. After FY27, I believe DAP and NPK capacities will also be operating at full utilisation if we do not undertake any expansion.

Pukhraj Kanther: That is correct. However, as and when opportunities arise, we will evaluate them.

Praveen Ostwal: The management is currently evaluating certain projects, and we will present a final proposal at the appropriate time once the evaluation is complete.

Pukhraj Kanther: Over the past 20 years, we have undertaken various expansion projects. Whenever we complete one expansion, we examine and evaluate further opportunities across different segments. The management is actively working on various options and is not sitting idle. We will inform you once these plans are finalised.

Nitin Kaushik: That is, it, sir. Thanks a lot, and congratulations for the results.

Moderator: Thank you. As there are no further questions from the participants, I hand over the call to management for closing comments. Over to you.

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

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Krishana Phoschem Limited, that concludes today's session. Thank you for your participation. You may now disconnect the lines.

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