

CHAMBAL FERTILISERS AND CHEMICALS LIMITED

Record of Institutional Investor Meeting

1.	Date of Meeting	February 10, 2022
2.	Venue of Meeting	Virtual
3.	Event/Conference	Antique Annual Investor Conference
4.	Company Representatives	Mr. Abhay Baijal, Chief Financial Officer Mr. Anuj Jain, Assistant Vice President - Finance
5.	Gist of Discussions	<p>The main points of discussion were as under:</p> <p>1. Proposed Technical Ammonium Nitrate Plant of the Company at Gadepan</p> <p>I. It was explained that the Company will set up a plant at Gadepan for manufacture of 2,20,000 Metric Ton ("MT") per annum of Technical Ammonium Nitrate ("Ammonium Nitrate") at a capital cost of around Rs. 1170 Crore ("Project"). The implementation of Project would take approximately 3 years. The Company has started preparation for inviting bids for lump-sum turn-key contracts for implementation of the Project. The Company is also preparing for seeking various clearances required for the Project.</p> <p>The cost of Ammonia manufactured by the Company would be low due to plant efficiency and the cost of capital and fixed cost of the Company would also be low. The Plant is expected to achieve full capacity utilization in the 3rd year of operation.</p> <p>The Company has taken into account the possible expansion of capacity of Ammonium Nitrate in India by other players while taking decision about the Project and the product of the Company would replace imports.</p> <p>II. The size of the Ammonium Nitrate market in India is around 10 lakh per annum with annual growth of around 6%. Approximately 25% of the demand is met through imports. The growth in demand of explosives is expected due to renewed emphasis of the Government of India on infrastructure development as it shall spur the demand of cement, coal and iron ore. Further, there are problems in import of Ammonium Nitrate and sensitivity due to possible diversion of the material for unauthorised use.</p> <p>III. The Company may look for the debt for financing the Project depending on other investment opportunities that may come in future. The return expectations from the Project are benchmarked to the returns from Gadepan-III project of the Company.</p>

2. Others

- I. The Outstanding subsidy as on December 31, 2021 was Rs. 3077 crore and the Company has received around Rs.1579 crore during January 2022.
- II. The Company continues to remain focussed in the agriculture space and it shall continue to exploit opportunities in adjacencies in terms of geographical, product portfolio and marketing channel expansion and customer overlaps.
- III. The Company keep on looking for new investment opportunities and decision would depend return on investment, payback period, size of the market, operational capability, etc.
- IV. It was also explained that matter relating to direct payment of fertilizers subsidy to the farmers is still under consideration of the Government of India.