Q 2 FY 26-27 Results Update

Gandhinagar, November 2, 2026

A meeting of the Board of Directors was held today to consider and approve the Financial Results for Q2/H1 2026-27. The Company delivered its **ever-highest Q2 and H1 top-lines**, achieving total sales of Rs. 4711 Crores in Q2 2026-27, a YoY growth of 50% and Rs. 8293 Crores in H1 2026-27, a YoY growth of 56%. However, the top-line growth was constrained by unprecedented rise in key raw material prices, driven by geopolitical pressures.

In Q2 2026-27, the Fertilizer segment recorded a 55% YoY growth in sales value, increasing by Rs. 1,386 Crores, despite a 6% decline in sales volume from 6.08 LMT to 5.69 LMT. The growth was primarily driven by higher DAP realization, with DAP revenue increasing by Rs. 1,659 Crores, supported by the Government's DAP Special Package to compensate for international price variations. However, sharp increases in key raw material costs, particularly Sulphur (+327%) and Natural Gas (+62%), significantly impacted margins, compressing EBIT of the Fertilizer segment to Rs. 17 Crores compared with Rs. 224 Crores in Q2 2025-26. Urea subsidy rates remain subject to revision following finalisation of the actual Pool Gas rate by FICC.GAIL, which has been pending since April 2026.

The Industrial Products segment continued its positive performance in Q2 2026-27, with sales increasing by Rs. 185 Crores, registering a 30% growth over Q2 2025-26. EBIT improved from Rs. 54 Crores to Rs. 66 Crores. The improvement was supported by better realizations across major products in line with market trends. Sales of Caprolactam and Nylon increased by Rs. 58 Crores and Rs. 60 Crores respectively, mainly due to higher realizations, while Anone sales increased by Rs. 36 Crores, driven by higher volumes. TGU sales also increased by Rs. 26 Crores, partly offset by a Rs. 5 Crores decline in Melamine sales. The Capro-Benzene spread improved significantly from US$ 512 per MT to US$ 849 per MT.

Resilient Operations & Agile Response:

Against a backdrop of heightened geopolitical uncertainty and evolving global supply dynamics, the Company sustained uninterrupted operations and ensured supply continuity during the quarter. While sharp movements in key raw material prices put pressure on

profitability, agility in product mix, responsive production planning, and timely pricing actions enabled the Company to mitigate the impact and defend core margins across business segments..

Capex led Growth Plan:

The Company continues to advance its capex plans aligned with its strategic growth roadmap. **C - Train Modification for additional 1200 MTPD APS production at Sikka Unit was commissioned on 23rd October,2026.** Upcoming projects are detailed below.

Ongoing Projects	H2 26-27	FY 27-28	FY 28-29	H1 29-30
Phosphoric Acid (PA) and Sulphuric Acid (SA) Project at Sikka	198 KTPA PA & 594 KTPA SA			

Outlook:

The country will enter the Rabi season with comfortable fertilizer inventory levels, the highest in the past three years, particularly for Urea and NPK grades, intensifying competitive pressures across the industry. The subdued Southwest Monsoon and lower reservoir levels, especially in Southern India, are likely to constrain fertilizer demand. The prevailing price distortion between DAP and NPK fertilizers continues to influence farmers' purchase preferences, adversely affecting NPK offtake.

The forthcoming NBS subsidy rates will play a pivotal role in partially mitigating elevated raw material costs and addressing price distortions. Concurrently, any easing of geopolitical tensions in the Middle East and Europe could soften international raw material prices and provide relief to industry margins.

The Caprolactam–Benzene spread is expected to moderate in Q3 26-27 as regional supply normalizes, potentially impacting margins across the Caprolactam–Nylon value chain. Demand for Melamine and Technical Grade Urea is expected to remain steady, while HX Crystal exports may improve amid subdued domestic demand. Other Industrial Products are projected to maintain steady demand, delivering reliable baseline stability to the segment.

In this challenging environment, the company will adopt a proactive and disciplined approach in Q3, prioritising operational efficiency, optimal product mix, sharper inventory management and timely market supplies, while strengthening channel competitiveness and protecting sales realizations and profitability.

Disclaimer:

The statements in outlook describing the company's objectives, expectations or projections, may be forward looking and it is not unlikely that the actual outcome may differ materially from that expressed, influenced by wide variety of factors affecting the business environment and the company's operations. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.