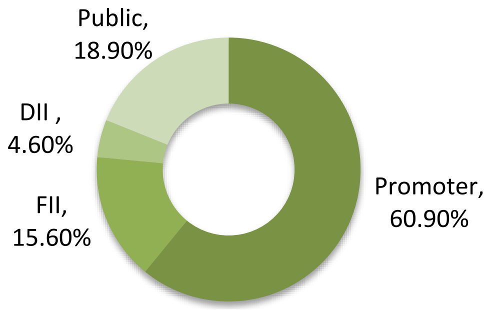
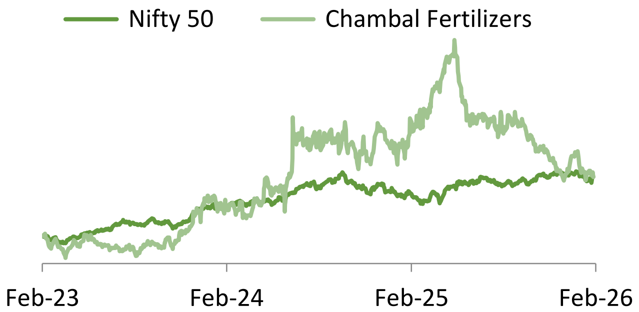
COMPANY DETAILS	
NSE Details	**Particulars**
Symbol	CHAMBALFERT
ISIN Code	INE085A01013
Industry	FERTILIZERS
Market Cap (12 Feb'26)	₹18,075.43 Cr
CMP (12 Feb'26)	₹460.00
Face Value	₹10.00
52W High/Low	₹742.20 / ₹410.20
Index	NIFTY SMALLCAP 100
TTM P/E	9.4x
Recommendation	**BUY**
Target Price	**₹587**

SHAREHOLDING PATTERN (%) – Q3FY26



STOCK PERFORMANCE VS NIFTY (3Y)



Live Chart

ABOUT THE COMPANY

Chambal Fertilisers and Chemicals Ltd. (CFCL) is **India's largest private sector urea producer**, accounting for nearly **10%** of the country's output. Its **three state-of-the-art plants located at Gadepan**, Kota (Rajasthan) have a combined annual capacity of about **3.46 million MT** as of FY25. Beyond urea, CFCL provides farmers with a full range of agri-inputs including DAP, TSP, MOP, NPK fertilisers, crop protection chemicals, and specialty nutrients. The company has also entered the seeds business, further strengthening its integrated agri-solutions portfolio and reinforcing its long-standing role in supporting India's food security.

During FY25, CFCL's urea plants operated at **optimum capacity and energy efficiency**, supported by stable natural gas prices and energy-saving initiatives, earning industry recognition from the Fertiliser Association of India. The company introduced new CPC/SN products and expanded farmer outreach through initiatives like Seed to Harvest, covering **2,862 villages** and **3.44 lakh farmers**, alongside digital campaigns reaching over **14 lakh farmers**. CFCL is also investing in future growth through the **upcoming TAN plant (2,40,000 MTPA capacity)** and WNA plant **(2,10,000 MTPA capacity)** at Gadepan, reflecting CFCL's diversified product portfolio, and farmer-centric initiatives.

VALUATIONS

We recommend a **BUY** on the stock with a **target price of ₹587**, valuing the company at **9.6x FY28E P/E** implying an upside potential of **~27% from the CMP of ₹460.00** within a time horizon of **15 – 18 months.**

This recommendation was also featured in our **January 2025 monthly report**, published on **February 3, 2026**, when the **CMP was ₹430.50**, implying an upside potential of **~36% at that time**.

In ₹ Crore	Reported Financials				Estimated Financials		
	FY2023	FY2024	FY2025	9MFY26	FY2026	FY2027	FY2028
Revenue	27,773	17,966	16,646	18,009	20,600	27,398	35,069
Growth in Revenue	73%	-35%	-7%	27%	24%	33%	28%
EBITDA	1,822	2,047	2,501	2,424	2,678	3,014	3,858
Growth in EBITDA	-20%	12%	22%	4%	7%	13%	28%
EBITDA Margin	7%	11%	15%	13%	13%	11%	11%
Profit After Tax (PAT)	1,034	1,276	1,649	1,784	1,828	2,106	2,451
Growth in PAT	-34%	23%	29%	18%	11%	15%	16%
PAT Margin	4%	7%	10%	10%	9%	8%	7%
ROCE	16%	20%	27%	14%	24%	25%	30%
EPS	24.85	31.84	41.17	29.89	45.62	52.57	61.18

INVESTMENT RATIONALE

• Market Leadership with pan-India reach

CFCL is India's **largest private sector urea producer**, contributing **~10% of domestic supply** and playing a critical role in sustaining food grain production and agricultural productivity. As a full-stack agri-input platform with pan-India reach, CFCL currently operates across **14 states** with a **robust distribution network** of **19 regional offices**, **4,765 dealers**, and over **76,000 retailers**, enabling deep last-mile access across diverse agro-climatic zones and covering **~90% of the market**. Nitrogen, primarily consumed in the form of urea, accounts for nearly **80%** of India's fertilizer demand, with sales growing at **~2.6%** CAGR between FY20–FY25, driven by expansion in irrigated and cropped areas and higher per-acre usage. CFCL benefits from strong demand fundamentals, government subsidy support, and efficient gas-based production facilities. CFCL operates **three world-class plants at Gadepan**, Rajasthan - Gadepan-I with an ammonia capacity of **1,767 MT per day** and urea capacity of **3,100 MT per day**; Gadepan-II with **1,710 MT per day** of ammonia and **3,000 MT per day of urea**; and Gadepan-III, one of the most efficient plants globally, with an annual urea production capacity of **1.3 million tonnes**. With urea being a highly regulated product tied to agricultural cycles and policy pricing, CFCL's scale, efficiency, and distribution strength position it to capture steady growth while supporting India's food security ecosystem.

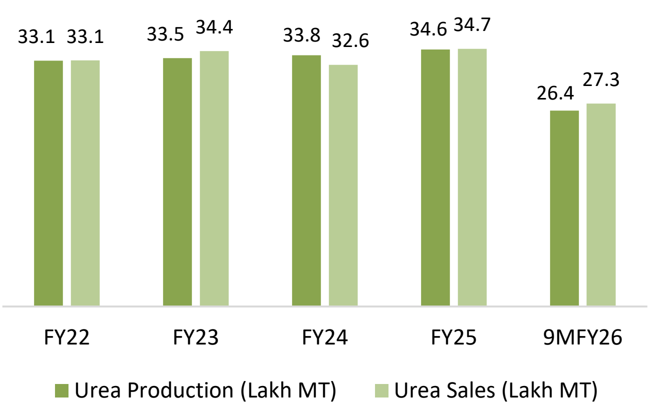
• Diversification beyond urea and Reduction in Import Reliance

In **complex fertilisers**, India continues to rely heavily on imports for **DAP, MOP, and raw materials** such as ammonia and phosphoric acid. With **~60%** of phosphorus consumption met through DAP and MOP entirely import-driven, CFCL's sourcing strength and marketing reach allow it to meet farmer demand under the Nutrient Based Subsidy (NBS) framework. Despite pricing headwinds and lower volumes, the company's **diversified portfolio** across DAP, NPK, APS, and MOP ensures resilience and stable margins, supported by government subsidy mechanisms.

• Scaling High-Growth Adjacencies in CPC, SN, Biologicals, and Seeds

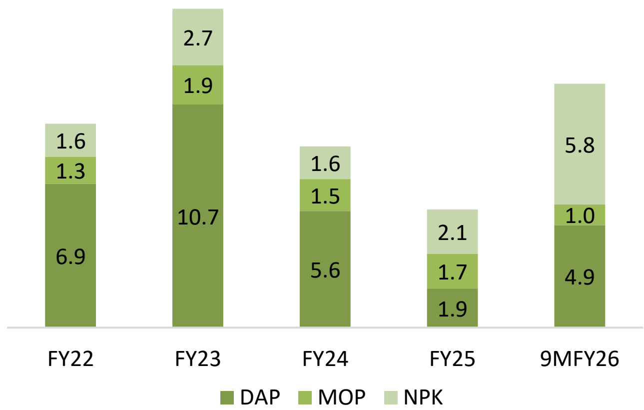
Beyond fertilisers, CFCL is scaling **high-growth adjacencies in crop protection chemicals (CPC), speciality nutrients (SN), biologicals, and seeds**. The CPC & SN market**,~₹36,000 crore**, is expected to grow at **8–9% CAGR** in near term, and CFCL is leveraging its brand, distribution, and farmer programs to expand share. Strong double-digit growth, multiple new product launches, and biological innovations such as **UTTAM PRANAAM** (Bio Nano Phosphorus) highlight its innovation edge. Research collaborations further strengthen R&D in biogenic inputs aligned with government initiatives, positioning the company to capture growth in **sunrise categories such as biologicals, seeds, and sustainable agri-solutions**.

Urea Production & Sales Volume (Lakhs MT)



Source: Investor Presentation

P & K Fertilisers Sales (In Lakh MT)



Source: Investor Presentation

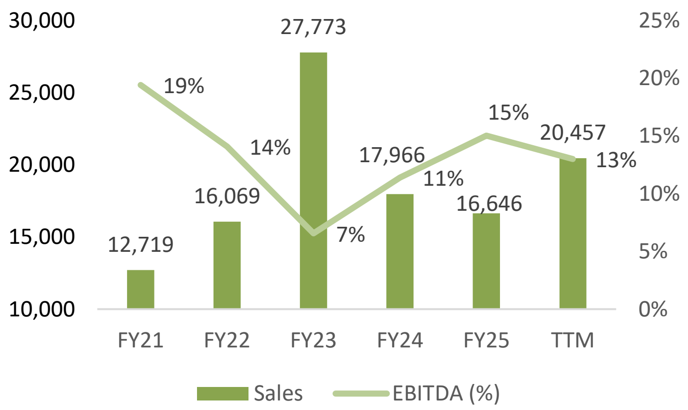
- **Upcoming TAN plant to unlock high-margin industrial growth**

CFCL's **2.4 lakh MTPA** Technical Ammonium Nitrate (TAN) project at its Gadepan site marks a **strategic diversification** into non-agri industrial and explosives markets, enabling better monetisation of surplus ammonia and enhancing ROCE over the medium term. The project, integrated with a Weak Nitric Acid plant, is progressing well with **engineering at 99.86%, procurement at 99.80%**, and **construction at 88.01%**, translating to **overall completion of 92.65%.** With construction activities in full swing, the revised timeline targets commissioning by **April 30, 2026**. The total project cost stands at ₹ **1,645 crores,** of which **₹1,183 crores** has already been spent by Q3FY26. Once operational, the TAN facility will add significant scale, diversify revenue streams beyond regulated agri-inputs, and strengthen CFCL's position in **high-margin industrial chemicals.**

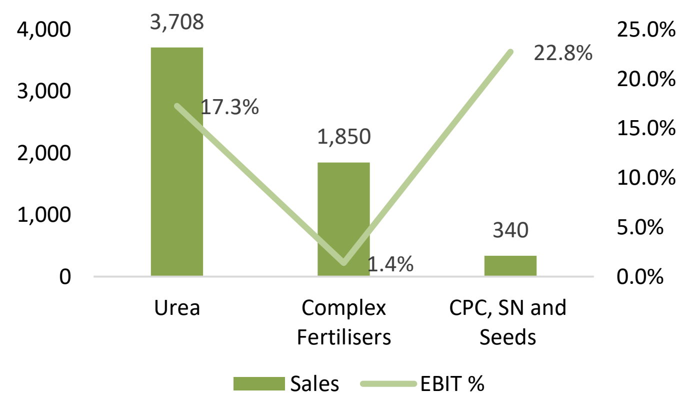
- **Strong Financials**

The company has delivered steady growth between FY19–25, with **Revenue, EBITDA, and PAT CAGRs of 9%, 13%, and 19%** respectively. Stable cash flows, ensure predictable earnings and strong downside protection. The Company is **debt-free** as of March 31, 2025 following full prepayment of borrowings and continues to maintain a healthy **~26% dividend payout**. CFCL's **subsidy receipts remained steady** between Q3FY25 and Q3FY26, but receivables showed a sharp increase by December 2025, with market debtors rising to ₹367 crores and subsidy debtors surging to ₹1,979 crores compared to much lower levels in December 2024 and March 2025. This indicates that while **government subsidy inflows are reliable**, the timing of disbursements created a temporary spike in receivables, **stretching working capital but not signalling structural credit risk.**

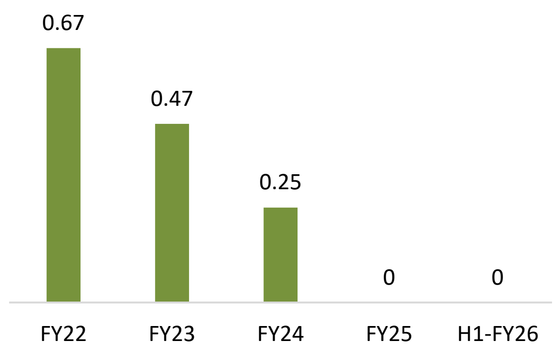
Sales vs EBITDA Margin



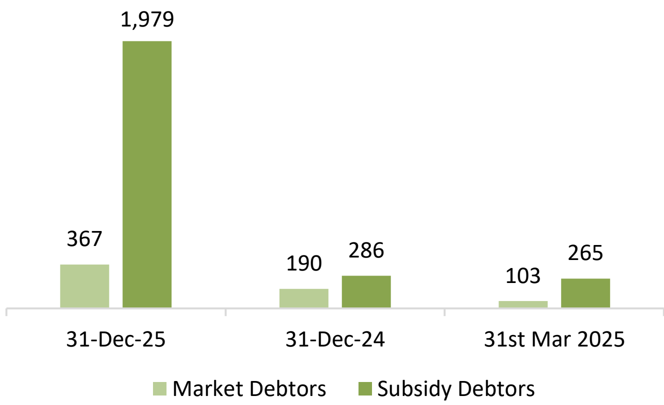
Q3FY26 Segment Performance



Debt to Equity Ratio (x)



Market Debtors vs Subsidy Debtors



LATEST UPDATES

- CFCL reported strong operational performance in Q3FY26, with sales increasing by **30% year on year**, EBITDA rising by **6% year on year**, and PAT growing by **10% year on year**, alongside robust growth across its Crop Protection Chemicals (CPC) and Specialty Nutrients (SN) businesses, reflecting improved scale, product mix, and disciplined execution. During the quarter, the company launched **five new products** across bio pesticides, bio fungicides, and insecticides, further strengthening its differentiated portfolio.
- The biologicals portfolio continued to perform strongly, with **volumes rising by 31%** and **revenues increasing by 58% year on year** over the nine month period. The flagship product UTTAM PRANAAM (Bio Nano Phosphorus), introduced in Q1FY25, recorded a **250% surge** in both volume and revenue, underscoring strong market acceptance. Additional biological fungicides and nematicides are under development for launch in FY27.
- In the seeds business, CFCL introduced a **new research variety of wheat** in Q3, which has shown encouraging results. Bulk fertilizers, particularly P&K, delivered strong performance supported by timely procurement and placement, while urea volumes were lower due to an unscheduled stoppage at one of the plants.
- Capacity expansion initiatives are underway, with P2O5 production capacity being **increased from 5 lakh metric tons to 7 lakh metric tons by December 2026**. Sulphuric acid capacity is also being expanded, expected to be operational in FY27, which will optimize operations and enhance profitability.
- DAP inventories stood at **2.5 million tons at the end of January**, compared to 1.3 million tons last year. With upcoming contracts and production, opening inventory on **April 1** is expected to be **2.8 million tons**, ensuring adequate availability. Looking forward, CFCL's product pipeline extends through FY28, including carbon related products from its partnership with Nutrient Worldwide, reinforcing its long term growth trajectory.

CHALLENGES

- CFCL's performance is closely tied to **government regulations**, with fertiliser prices controlled by policy. Any delay, change, or volatility in these policies and markets can directly impact the company's performance.
- For urea production beyond the approved capacity (RAC), subsidy is linked to **natural gas costs** and **import parity price** (IPP). High gas prices combined with low IPP can reduce profitability of extra production.
- Crop Protection Chemicals (CPC) usage is highly dependent on external factors like **weather, pest attacks, and cropping patterns**, which change each year. Similarly, demand for Speciality Nutrients (SN) is influenced by **global import prices, supply chain disruptions, and farmer affordability**, making both segments subject to variability and unpredictability.

PEER COMPARISION

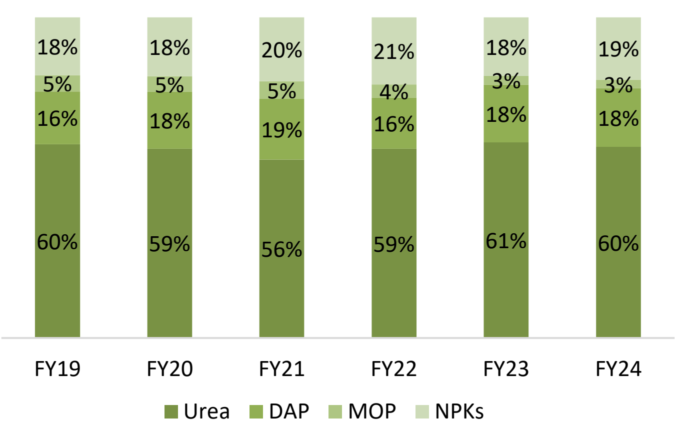
NSE Details	Coromandel International Limited	Fertilizers and Chemicals Travancore Limited	Chambal Fertilizers & Chemicals Limited
SYMBOL	**COROMANDEL**	**FACT**	**CHAMBALFERT**
Market Cap (₹ Cr)	66,612.91	50,529.85	18,109.48
Share price (12 Feb'26)	₹2,270.20	₹801.15	₹460.00
52 weeks high/low	₹2,718.90 / ₹1,596.00	₹1,112.00 / ₹565.00	₹742.20 / ₹410.20
Face Value	₹1	₹10	₹10
Debt/Equity	0.12x	2.79x	0.04x
EV/EBITDA	19.0x	176x	19.0x
Market Cap/Sales	2.21x	9.92x	0.93x
ROCE (%)	23.2%	8.65%	26.8%
ROE (%)	16.9%	1.61%	16.9%

Source: Screener

INDUSTRY OUTLOOK

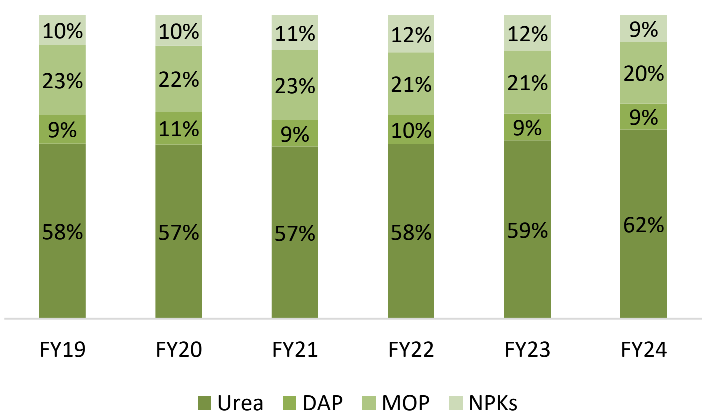
India's fertiliser industry is a critical pillar of the economy, contributing to food security, rural employment, and agricultural productivity. Agriculture and allied sectors account for nearly **16% of GDP** and support over 46% of the population, making fertilisers indispensable for crop yields. Over the past decade, domestic production has steadily risen from **385 lakh MT in 2014–15 to over 503 Lakh MT in 2023–24,** with urea dominating output at **~60–70%** due to affordability and heavy subsidies. In FY24, India achieved its **highest-ever urea production of 314 Lakh MT**, aided by six new plants adding **76.2 lakh MT capacity**, reducing import dependence. Still, **while 87% of urea and 90% of NPK demand is met domestically**, India remains reliant on imports for DAP (60%) and MOP (100%). The government has reinforced support through higher budget allocations **(₹1.56 lakh crore in FY26),** expanded subsidies under the Nutrient Based Subsidy scheme, and initiatives like One Nation One Fertilizer, nano and neem-coated urea, and PM-PRANAM to promote balanced, sustainable use. With private players contributing nearly **58% of production**, alongside cooperative and public sector units, India stands as the **world's second-largest fertiliser consumer and third-largest producer**, positioned for growth through innovation, policy support, and global supply partnerships.

Trend in Consumption of Fertilizers



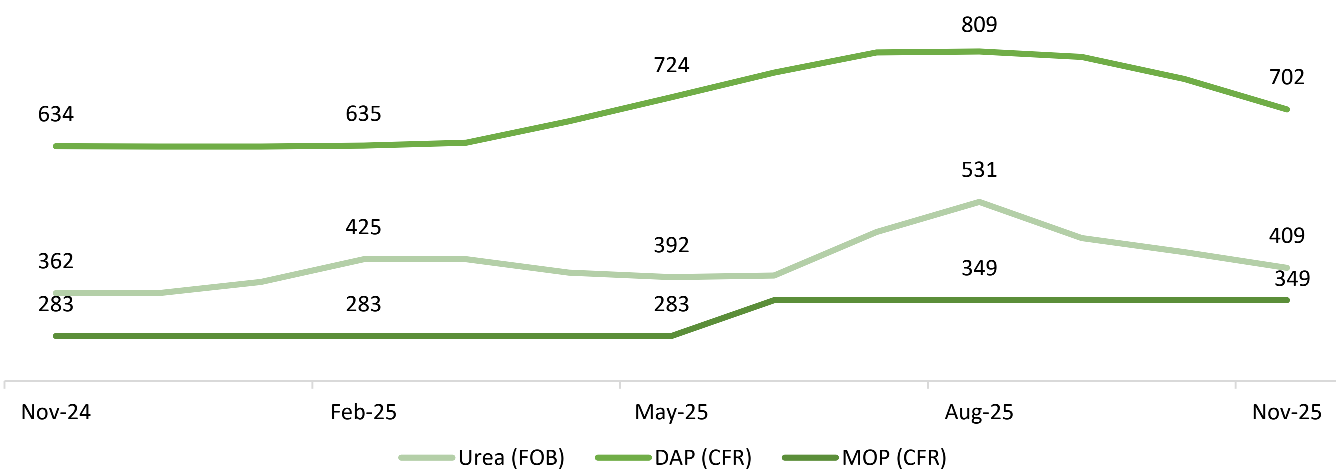
Source: Ministry of Chemical & Fertilizers

Trend in Production of Fertilizers



Source: Ministry of Chemical & Fertilizers

Trend in International Prices of Fertilizers ($/MT)



Source: Ministry of Chemical & Fertilizers

FINANCIAL STATEMENTS

INCOME STATEMENT					₹ Cr
Particulars	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Income	**12,766**	**16,137**	**27,941**	**18,215**	**16,861**
Revenue from operations	**12,719**	**16,069**	**27,773**	**17,966**	**16,646**
Revenue Growth YoY %	*4%*	*26%*	*73%*	*-35%*	*-7%*
Other Income	47	68	168	249	215
Expenses	**10,256**	**13,807**	**25,953**	**15,923**	**14,163**
COGS	7,338	9,603	19,704	10,902	9,316
Other Expenses	2,741	4,023	6,058	4,800	4,613
Employees Cost	176	181	191	221	233
EBITDA	**2,463**	**2,262**	**1,820**	**2,043**	**2,483**
EBITDA Growth YoY %	*29%*	*-8%*	*-20%*	*12%*	*22%*
EBITDA Margin	*19%*	*14%*	*7%*	*11%*	*15%*
Depreciation	289	300	308	313	330
EBIT	**2,174**	**1,962**	**1,512**	**1,730**	**2,153**
EBIT Growth YoY %	*35%*	*-10%*	*-23%*	*14%*	*24%*
EBIT Margin	*17%*	*12%*	*5%*	*10%*	*13%*
Finance Cost	289	106	320	173	48
Profit Before Tax	2,360	2,231	1,416	1,887	2,452
Tax	612	665	383	611	802
Tax Rate (%)	26	30	27	32	33
PAT	**1,748**	**1,566**	**1,034**	**1,276**	**1,649**
Diluted EPS	40	38	25	31	41

Source: Annual Reports, Screener

QUARTERLY INCOME STATEMENT					₹ Cr
Particulars	**Q3FY26**	**Q2FY26**	**QoQ**	**Q3FY25**	**YoY**
Sales	5,898	6,413	-8%	4,918	20%
Expenses	5,078	5,571	-9%	4,140	23%
Operating Profit	**821**	**842**	**-2%**	**778**	**6%**
OPM %	**14%**	**13%**		**16%**	
Other Income	36	88	-59%	95	-62%
Interest	1	1	0%	7	-86%
Depreciation	88	87	1%	83	6%
Profit before tax	**768**	**842**	**-9%**	**783**	**-2%**
Tax %	24%	23%		32%	
Net Profit	**586**	**649**	**-10%**	**534**	**10%**
EPS in Rs	14.64	16.19	-10%	13.34	10%

Source: Annual Reports, Screener

BALANCE SHEET					₹ Cr
Particulars	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
ASSETS	**10,247**	**13,289**	**12,770**	**11,509**	**11,407**
Property, Plant and Equipment-Net	6,462	6,343	6,239	6,401	6,204
Capital Work in Progress	161	157	102	184	649
Other Non - Current Assets	**477**	**714**	**790**	**835**	**932**
Current Assets	**3,148**	**6,075**	**5,639**	**4,089**	**3,622**
Inventories	789	3,123	1,374	1,255	1,802
Financial Assets - Current	2,244	2,739	3,770	2,369	1,594
Other Current Assets	114	213	494	462	226
Assets Held for Sale	0	0	1.2	3	0
Capex	234	162	193	607	569
EQUITY AND LIABILITIES	**10,247**	**13,289**	**12,770**	**11,509**	**11,407**
Share Capital	416	416	416	401	401
Other Equity/ Reserve	4,833	5,983	6,652	6,873	8,327
Total Equity	**5,236**	**6,386**	**7,053**	**7,258**	**8,712**
Non-Current Liabilities	**3,485**	**3,101**	**2,565**	**2,214**	**1,521**
Financial Liabilities	3,159	2,480	1,839	1,160	96
Long Term Provisions	14	15	19	25	8.4
Deferred Tax Liabilities (Net)	309	603	704	1,026	1,412
Other Long Term Liabilities	3.2	3.3	3.2	4.2	4.2
Current Liabilities	**1,525**	**3,802**	**3,152**	**2,037**	**1,174**
Financial Liabilities (Current)	1,437	3,642	3,061	1,914	1,048
Other Current Liabilities	48.5	126	54	122	125
Total Liabilities	**5,011**	**6,903**	**5,717**	**4,251**	**2,695**

Source: Annual Reports, Screener

RATIO ANALYSIS					
Particulars	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Return Ratios					
Return on Equity (%)	29	22	16	19	21
Return on Capital employed (%)	21	20	16	20	27
Return on Investment (%)	18	18	14	18	22
Turnover Ratios					
Trade Receivables Days	34	49	23	4	8
Trade Inventory Days	39	119	25	42	71
Trade Payables Days	19	57	22	27	25
Cash Conversion Days	54	111	26	19	54
Debt Turnover (x)	3.8	9.7	14.2	18.4	59.5
Inventory Turnover (x)	10.7	7.1	11.6	12.1	9.4
Liquidity/Solvency Ratios					
Current ratio (x)	2.0	1.6	1.8	2.0	3.1
Interest coverage (x)	7.8	19.4	5.5	12.2	51.8
Debt Service Coverage Ratio (x)	2.3	2.2	1.6	2.0	1.3
Net Debt/Equity (x)	0.7	0.7	0.5	0.3	0.0
Valuation Ratios					
Price/Earnings (x)	5.8	11.2	10.6	11.1	15.2
Price/Book (x)	2.7	3.4	1.7	1.9	2.9
EV/EBITDA (x)	5.3	9.4	6.8	6.8	9.7

Source: Annual Reports, Screener

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RK STOCK BROKING PRIVATE LIMITED is a SEBI registered Research Analyst: INH300008881.
PS Arcadia Central, Office No. 8A, 8th Floor, 4A, Abanindra Nath Thakur Sarani, Camac Street, Kolkata – 700017
Ph: +91 33-4017-4777; +91 62906-29133; +91 96733-17020
Email: research@jrkgroup.in; info@jrkgroup.in
Website: JRK Group
JRK Research Desk POC:

***Mr. Sanjeev Jain**, Head of Research; Email: sanjeev.jain@jrkgroup.in*

***Ms. Khushi Agarwal**, Research Analyst; Email: khushi.agarwal@jrkgroup.in*

***Ms. Smriti Agarwal**, Research Analyst; Email: smriti.agarwal@jrkgroup.in*

Sources:
JRK Research Desk, Annual Report, NSE, BSE, FBIL, SEBI, Screener, Financial Websites.