

# Chambal Fertilisers

India | Fertilizers & Agricultural Chemicals | Result Update

**Elara Capital**

## Capex plans remains elusive

Chambal Fertilisers (CHMB IN) reported in-line results. EBITDA growth of 5.5% was led by the crop protection chemicals (CPC) business profitability. Urea volume was flat. Traded volume grew 38% YoY. There is a slight delay in technical ammonium nitrate (TAN) plant commencement from Q4FY26 to Q1FY27, which would be the growth driver from FY27. A concrete plan on capacity expansion beyond TAN looks elusive, in our view, despite the nearing deadline of December 2026, when additional incentives for CHMB's G-3 urea plant expires. Uncertainty over revised normalized return parameters for G3 plant persists. We retain **Accumulate** with a lower TP of INR 522 based on 11x FY28E EPS of INR 47.5.

**TAN plant execution nearing completion:** The 240,000-tonne TAN project is delayed by a quarter, with overall completion at ~92.7% as on Q3FY26. Total project cost stands at INR 16.4bn, of which ~INR 11.8bn has been incurred until Q3FY26. Engineering and procurement activities are largely complete at 99.86% and 99.80%, respectively, while construction to the extent of ~88% has been completed. The plant is set to be commissioned from Q1FY27. Pre-commissioning activities commenced in February, with trial runs at the cusp, and end-product rollout is targeted by April 2026. Management plans to explore vertical and horizontal expansion opportunities in TAN.

**Flat urea volume; subsidy dues accumulate:** Urea volume in Q3FY26 remains flat YoY, with the slight impact due to a three-day unscheduled stoppage at the Gadepan I plant. The Gadepan II plant is scheduled for a planned maintenance shutdown of ~30-35 days in Q4FY26, which may weigh on near-term production. On the subsidy front, receipts during the quarter improved by 16% YoY. However, subsidy receivables increased 7x to INR 19.8bn vs INR 2.9bn in Q3FY25.

**Launches new products; pipeline remains strong:** CHMB continues to expand its non-urea portfolio during Q3FY26 with the launch of five new products in the CPC and specialty nutrients (SN) segments, spanning bio-pesticides, bio-fungicides and insecticides. The company introduced a research variety of wheat seeds in Q3, which has received encouraging initial response. The pipeline remains robust with 12 new CPC products and one SN product planned for launch in FY27, alongside new biological products for fungicides and nematicide.

**Retain Accumulate with a lower TP of INR 522:** Fertilizers, which is a large part of the current business, is on a solid footing, in our view, but lacks growth drivers. Management is focused on growing non-fertilizer business through many initiatives, which will start to bear fruit from FY27, starting with commercialization of the TAN plant. Despite these growth drivers, the potential EBITDA erosion due to expiry of benefits for CHMB's G-3 urea plant in FY28 would outweigh gains from other businesses. We lower our EBITDA estimates by ~4-6% and PAT estimates 2-4% during FY26-28. We arrive at a lower TP of INR 522 from INR 544 based on 11x (unchanged) FY28E EPS of INR 47.5.

## Key financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (INR mn)	179,664	166,462	184,888	195,318	202,655
YoY (%)	(35.3)	(7.3)	11.1	5.6	3.8
EBITDA (INR mn)	20,433	24,835	26,086	29,958	25,430
EBITDA margin (%)	11.4	14.9	14.1	15.3	12.5
Adj PAT (INR mn)	12,758	16,494	19,199	22,039	19,019
YoY (%)	23.4	29.3	16.4	14.8	(13.7)
Fully DEPS (INR)	31.8	41.2	47.9	55.0	47.5
RoE (%)	17.8	20.7	21.0	21.1	15.8
RoCE (%)	17.7	24.1	23.5	23.7	17.5
P/E (x)	14.2	11.0	9.5	8.2	9.6
EV/EBITDA (x)	8.5	7.0	6.7	5.8	6.8

Note: Pricing as on 11 February 2026; Source: Company, Elara Securities Estimate

Rating: **Accumulate**

Target Price: **INR 522**

Upside: **15%**

CMP: **INR 454**

As on 11 February 2026

### Key data

Bloomberg	CHMB IN
Reuters Code	CHMB.NS
Shares outstanding (mn)	401
Market cap (INR bn/USD mn)	182/2,007
EV (INR bn/USD mn)	173/1,915
ADTV 3M (INR mn/USD mn)	527/6
52 week high/low	742/410
Free float (%)	38

Note: as on 11 February 2026; Source: Bloomberg

### Price chart



Source: Bloomberg

Shareholding (%)	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26
Promoter	60.4	60.5	60.6	60.9
% Pledge	19.5	19.7	22.3	23.7
FII	20.2	17.1	18.3	15.7
DII	4.7	6.6	4.0	4.7
Others	14.7	15.8	17.1	18.8

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	1.4	6.5	10.9
Chambal Fertilisers	(3.2)	(14.5)	(17.1)
NSE Mid-cap	1.1	6.9	13.2
NSE Small-cap	(3.9)	(1.2)	4.2

Source: Bloomberg

### Prashant Biyani

Fertilizers & Agricultural Chemicals,  
Hotels, Sugar  
+91 22 6164 8581  
prashant.biyani@elaracapital.com



Associate  
Yashi Jain  
yashi.jain@elaracapital.com

## Financials (YE March)

Income Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Total Revenue	179,664	166,462	184,888	195,318	202,655
Gross Profit	70,642	73,301	79,913	86,934	84,726
EBITDA	20,433	24,835	26,086	29,958	25,430
EBIT	17,305	21,533	22,620	25,831	21,147
Interest expense	1,731	484	100	100	100
Other income	2,491	2,151	1,506	2,107	2,468
Exceptional/ Extra-ordinary items	-	-	-	-	-
PBT	18,065	23,200	24,026	27,838	23,515
Tax	6,112	8,023	6,127	7,099	5,996
Minority interest/Associates income	804	1,317	1,300	1,300	1,500
Reported PAT	12,758	16,494	19,199	22,039	19,019
Adjusted PAT	12,758	16,494	19,199	22,039	19,019
Balance Sheet (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Shareholders' Equity	72,738	87,280	96,076	113,514	128,038
Minority Interest	(155)	(160)	(130)	(130)	(130)
Trade Payables	7,938	6,303	8,628	8,908	9,693
Provisions & Other Current Liabilities	5,334	5,439	4,120	4,350	4,511
Total Borrowings	18,536	823	8,536	-	-
Other long term liabilities	10,701	14,383	14,445	14,455	14,462
<b>Total liabilities &amp; equity</b>	<b>115,092</b>	<b>114,067</b>	<b>131,675</b>	<b>141,096</b>	<b>156,575</b>
Net Fixed Assets	66,030	68,674	77,563	74,936	72,653
Goodwill	-	-	-	-	-
Intangible assets	35	35	35	35	35
Business Investments / other NC assets	8,133	9,137	10,094	10,448	10,430
Cash, Bank Balances & treasury investments	20,653	10,646	12,675	22,460	38,860
Inventories	12,547	18,023	15,196	16,054	16,657
Sundry Debtors	1,916	3,679	11,120	11,890	12,470
Other Current Assets	5,778	3,873	4,992	5,274	5,472
<b>Total Assets</b>	<b>115,092</b>	<b>114,067</b>	<b>131,675</b>	<b>141,096</b>	<b>156,575</b>
Cash Flow Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
<b>Cashflow from Operations</b>	<b>33,211</b>	<b>13,884</b>	<b>7,560</b>	<b>20,304</b>	<b>18,135</b>
Capital expenditure	(6,121)	(5,730)	(12,500)	(1,500)	(2,000)
Acquisitions / divestitures	1,362	1,389	156	156	180
Other Business cashflow	937	11,732	1,506	2,107	2,468
<b>Free Cash Flow</b>	<b>29,388</b>	<b>21,274</b>	<b>(3,279)</b>	<b>21,067</b>	<b>18,784</b>
Cashflow from Financing	(27,685)	(31,281)	5,308	(11,282)	(2,384)
Net Change in Cash / treasury investments	1,703	(10,007)	2,030	9,785	16,399
Key assumptions & Ratios	FY24	FY25	FY26E	FY27E	FY28E
Dividend per share (INR)	7.5	5.0	5.8	6.6	5.7
Book value per share (INR)	181.6	217.8	239.8	283.3	319.6
RoCE (Pre-tax) (%)	17.7	24.1	23.5	23.7	17.5
ROIC (Pre-tax) (%)	22.3	29.1	26.8	28.3	23.5
ROE (%)	17.8	20.7	21.0	21.1	15.8
Asset Turnover (x)	2.8	2.5	2.5	2.6	2.7
Net Debt to Equity (x)	0.0	(0.1)	0.0	(0.2)	(0.3)
Net Debt to EBITDA (x)	(0.1)	(0.4)	(0.2)	(0.7)	(1.5)
Interest cover (x) (EBITDA/ int exp)	11.8	51.3	260.9	299.6	254.3
Total Working capital days (WC/rev)	44.1	51.6	64.9	81.4	108.7
Valuation	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	14.2	11.0	9.5	8.2	9.6
P/Sales (x)	1.0	1.1	1.0	0.9	0.9
EV/ EBITDA (x)	8.5	7.0	6.7	5.8	6.8
EV/ OCF (x)	5.2	12.5	22.9	8.5	9.6
FCF Yield	16.9	12.3	(1.9)	12.1	10.8
Price to BV (x)	2.5	2.1	1.9	1.6	1.4
Dividend yield (%)	1.7	1.1	1.3	1.5	1.3

Note: Pricing as on 11 February 2026; Source: Company, Elara Securities Estimate

**Exhibit 1: Quarterly financials**

Financials (INR mn)	Q3FY26	Q3FY25	YoY(%)	Q1FY26	QoQ(%)	Q2FY26E	Variance(%)	9MFY26	9MFY25	YoY(%)
Cons Net Sales	58,983	49,181	19.9	64,128	(8.0)	57,329	2.9	180,086	141,975	26.8
Raw Materials	38,031	29,429	29.2	43,290	(12.1)	36,659	3.7	118,302	81,202	45.7
% of Net Sales	64.5	59.8	464bp	67.5	(303)bp	63.9	53bp	65.7	57.2	850bp
Employee Cost	953	579	64.6	645	47.8	637	49.7	2,214	1,717	29.0
Other Expenses	11,792	11,393	3.5	11,776	0.1	11,963	(1.4)	35,337	35,855	(1.4)
Total Expenditure	50,775	41,401	22.6	55,710	(8.9)	49,259	3.1	155,852	118,774	31.2
EBITDA	8,207	7,779	5.5	8,417	(2.5)	8,070	1.7	24,234	23,201	4.5
Margin (%)	13.9	15.8	(190)bp	13.1	79bp	14.1	(16)bp	13.5	16.3	(288)bp
Depreciation	878	830	5.7	866	1.3	866	1.4	2,589	2,485	4.2
EBIT	7,330	6,949	5.5	7,551	(2.9)	7,204	1.7	21,646	20,716	4.5
Interest	9	69	(86.7)	9	3.4	10	(8.0)	42	484	(91.2)
Other Income	141	646	(78.2)	406	(65.3)	400	(64.7)	980	1,598	(38.7)
Exceptional Items	-	-	NA	-	NA	-	NA	-	-	NA
PBT	7,462	7,526	(0.9)	7,948	(6.1)	7,594	(1.8)	22,584	21,830	3.5
Tax	1,817	2,481	(26.8)	1,930	(5.9)	1,914	(5.1)	5,793	7,649	(24.3)
Tax Rate (%)	24	33	(862)bp	24	6bp	25.2	(86)bp	25.7	35.0	(939)bp
RPAT	5,645	5,045	11.9	6,018	(6.2)	5,681	(0.6)	16,791	14,181	18.4
Share of profit from JV	219	299	(26.9)	470	(53.4)	250	(12.4)	1,050	1,010	3.9
<b>APAT</b>	<b>5,864</b>	<b>5,344</b>	<b>9.7</b>	<b>6,488</b>	<b>(9.6)</b>	<b>5,931</b>	<b>(1.1)</b>	<b>17,840</b>	<b>15,191</b>	<b>17.4</b>
Adj EPS (INR)	14.6	13.3	9.7	16.2	(9.6)	14.8	(1.1)	44.5	37.9	17.4

Source: Company, Elara Securities Research

**Strategic initiatives to drive next phase of growth**

CHMB had entered into a research collaboration with The Energy and Resources Institute (TERI) to develop advanced and sustainable agricultural solutions, with joint IP ownership and exclusive global commercialization rights. A dedicated laboratory is currently ready and ~8–9 biological products, including bio-nematicides and fungicides, are in launch pipeline during FY27–28. Separately, through its JV Indo Maroc Phosphore S.A. (IMACID), P<sub>2</sub>O<sub>5</sub> production capacity would be increased from 0.5mn tonne to 0.7mn tonne by December 2026, along with an expansion in sulphuric acid capacity ahead of FY27, which is set to improve integration and support profitability.

**Exhibit 2: Urea volume flat in Q3FY26**

	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
<b>Urea</b>								
Volume (tonne)	983,000	988,000	(0.5)	909,000	8.1	2,733,000	2,840,000	(3.8)
Realisation (INR)	37,722	36,862	2.3	36,495	3.4	37,080	38,437	(3.5)
Revenue (INR mn)	37,081	36,420	1.8	33,174	11.8	101,340	109,160	(7.2)
Indicative EBITDA (INR mn)	7,286	7,153	1.9	6,393	14.0	19,136	20,055	(4.6)
Indicative EBITDA/tonne (INR)	7,412	7,239	2.4	7,033	5.4	7,002	7,062	(0.8)
<b>Trading business volume grew 38% YoY</b>								
Volume (tonne)	294,000	213,000	38.0	450,000	(34.7)	1,165,000	526,000	121.5
DAP + NPK (tonne)	262,000	157,000	66.9	398,000	(34.2)	1,066,000	381,000	179.8
MOP (tonne)	32,000	56,000	(42.9)	52,000	(38.5)	99,000	145,000	(31.7)
Blended realisation (INR)	62,927	47,981	31.1	60,467	4.1	57527	45532	26.3
Revenue (INR mn)	18,501	10,220	81.0	27,210	(32.0)	67,019	23,950	179.8
EBITDA per tonne (INR)	877	633	38.4	2,760	(68.2)	2,514	3,125	(19.6)
<b>33% growth in CPC &amp; SN Revenue</b>								
Revenue (INR mn)	3,401	2,549	33.4	3,741	(9.1)	11,724	8,873	32.1
EBIT (INR mn)	774	597	29.5	1,043	(25.8)	2,777	2,074	33.9
Margin (%)	22.7	23.4	-69bp	27.9	-512bp	23.7	23.4	31bp
<b>Subsidy outstanding up 7x YoY</b>								
Subsidy Outstanding (INR mn)	19,794	2,860	592.1	18,110	9.3	19,794	2,860	592.1
Subsidy Receipt (INR mn)	38,803	33,480	15.9	38,350	1.2	102,273	103,530	(1.2)

Source: Company, Elara Securities Research

**Exhibit 3: Valuation**

(INR)	
EPS – FY28E	47.5
Target multiple (x)	11.0
<b>Target price</b>	<b>522</b>

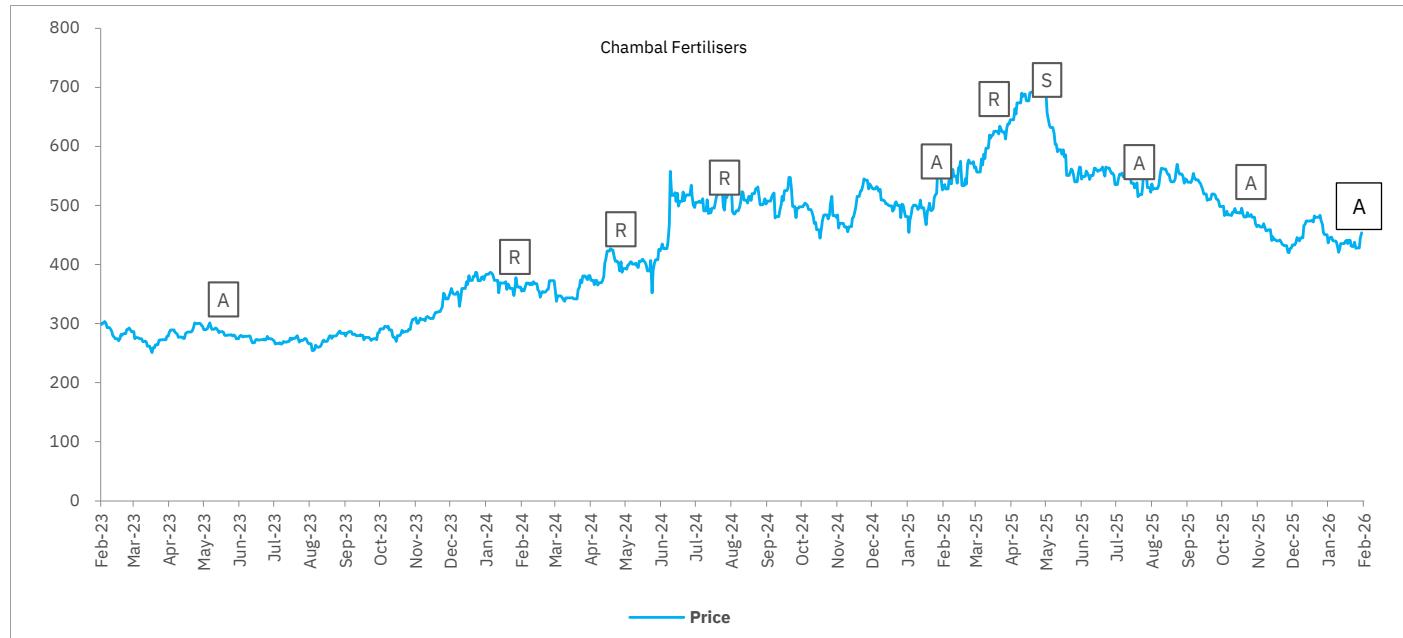
Source: Elara Securities Estimate

**Exhibit 4: Changes in estimates**

(INR mn)	Earlier			Revised			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Sales	167,017	176,002	180,620	184,888	195,318	202,655	10.7	11.0	12.2
EBITDA	27,866	31,184	27,053	26,086	29,958	25,430	(6.4)	(3.9)	(6.0)
EBITDA Margin (%)	16.7	17.7	15.0	14.1	15.3	12.5	(258)	(238)	(243)
Adjusted PAT	20,026	22,576	19,797	19,199	22,039	19,019	(4.1)	(2.4)	(3.9)
EPS (INR)	50.0	56.3	49.4	47.9	55.0	47.5	(4.1)	(2.4)	(3.9)
<b>Target Price (INR)</b>			<b>544</b>			<b>522</b>			<b>(3.9)</b>

Source: Elara Securities Estimate

## Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
02-Nov-2022	Buy	385	308
29-May-2023	Accumulate	314	286
06-Feb-2024	Reduce	345	358
08-May-2024	Reduce	397	405
06-Aug-2024	Reduce	516	492
06-Feb-2025	Accumulate	554	520
28-Mar-2025	Reduce	625	626
13-May-2025	Sell	601	658
01-Aug-2025	Accumulate	619	518
06-Nov-2025	Accumulate	544	482
11-Feb-2026	Accumulate	522	454

## Guide to Research Rating

**BUY (B)** Absolute Return >+20%

**ACCUMULATE (A)** Absolute Return +5% to +20%

**REDUCE (R)** Absolute Return -5% to +5%

**SELL (S)** Absolute Return < -5%

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**India**  
**Elara Securities (India) Private Limited**  
 One International Center, Tower 3,  
 21st Floor, Senapati Bapat Marg,  
 Elphinstone Road (West)  
 Mumbai – 400 013, India  
 Tel : +91 22 6164 8500

**Europe**  
**Elara Capital Plc.**  
 6th Floor, The Grove,  
 248A Marylebone Road,  
 London, NW1 6JZ,  
 United Kingdom  
 Tel : +44 20 7486 9733

**USA**  
**Elara Securities Inc.**  
 230 Park Avenue, Suite 2415,  
 New York, NY 10169, USA  
 Tel: +1 212 430 5870  
 Fax: +1 212 208 2501

**Asia / Pacific**  
**Elara Capital (Asia) Pte.Ltd.**  
 One Marina Boulevard,  
 Level 20,  
 Singapore 018989  
 Tel : +65 6978 4047



**Managing  
Director**

**Harendra Kumar** | [harendra.kumar@elaracapital.com](mailto:harendra.kumar@elaracapital.com) | +91 22 6164 8571



**Head of  
Research**

**Dr Bino Pathiparampil** | [bino.pathiparampil@elaracapital.com](mailto:bino.pathiparampil@elaracapital.com) | +91 22 6164 8572

## Sales Team



**India**

**Hitesh Danak** - [hitesh.danak@elaracapital.com](mailto:hitesh.danak@elaracapital.com) - +91 22 6164 8543  
**Ashok Agarwal** - [ashok.agarwal@elaracapital.com](mailto:ashok.agarwal@elaracapital.com) - +91 22 6164 8558  
**Himani Sanghavi** - [himani.sanghavi@elaracapital.com](mailto:himani.sanghavi@elaracapital.com) - +91 22 6164 8586



**India, APAC &  
Australia**

**Sudhanshu Rajpal** - [sudhanshu.rajpal@elaracapital.com](mailto:sudhanshu.rajpal@elaracapital.com) - +91 22 6164 8508  
**Joshua Saldanha** - [joshua.saldanha@elaracapital.com](mailto:joshua.saldanha@elaracapital.com) - +91 22 6164 8541  
**Shraddha Shrikhande** - [shraddha.shrikhande@elaracapital.com](mailto:shraddha.shrikhande@elaracapital.com) - +91 22 6164 8567  
**Suyash Maheshwari** - [suyash.maheshwari@elaracapital.com](mailto:suyash.maheshwari@elaracapital.com) - +91 22 4204 8698



**India & UK**

**Prashin Lalvani** - [prashin.lalvani@elaracapital.com](mailto:prashin.lalvani@elaracapital.com) - +91 22 6164 8544



**India & US**

**Karan Rathod** - [karan.rathod@elaracapital.com](mailto:karan.rathod@elaracapital.com) - +91 22 6164 8570



**Corporate  
Access,  
Conference &  
Events**

**Anita Nazareth** - [anita.nazareth@elaracapital.com](mailto:anita.nazareth@elaracapital.com) - +91 22 6164 8520  
**Tina D'souza** - [tina.dsouza@elaracapital.com](mailto:tina.dsouza@elaracapital.com) - +91 22 6164 8595

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### Elara Securities (India) Private Limited

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 CIN: U74992MH2007PTC172297 | SEBI Research Analyst Registration No.: INH000000933  
 Member of BSE Limited and National Stock Exchange of India Limited | SEBI REGN. NO.: INZ000238236  
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 Investor Grievance Email ID: [investor.grievances@elaracapital.com](mailto:investor.grievances@elaracapital.com) - Tel. +91 22 6164 8509  
 Compliance Officer: Mr. Anand Rao - Email ID: [anand.rao@elaracapital.com](mailto:anand.rao@elaracapital.com) - Tel. +91 22 6164 8509