

# Chambal Fertilisers

India | Fertilizers & Agricultural Chemicals | Result Update | Rating Upgrade



15 May 2026

## Insulated from short-term uncertainty

Chambal Fertilisers (CHMB IN) reported better-than-expected EBITDA growth, driven by improved profitability in the Ammonia business. EBITDA grew 56% to INR 2.6bn versus our expectation of INR 1.73bn. CHMB has begun phase-wise trial run of the technical ammonium nitrate (TAN) plant in May, which is the primary growth driver in FY27. CHMB, we believe, is the primary contender for any new Urea plant in case the government plans to set it up. On the contrary, uncertainty persists over revised normalized return parameters from the G3 plant post expiry of deadline December 2026 onwards. We revise CHMB to BUY (from Accumulate) with TP of INR 544, based on 11x FY28E EPS of INR 49.5.

**TAN plant commences with trial run:** The first phase of commissioning of the TAN plant is starting with trial run of Weak Nitric Acid (WNA) plant. This shall be followed by operationalization of Ammonium Nitrite Solution (ANS) melt plant and High Density Ammonium Nitrate (HDAN) plant. The entire project is expected to be commissioned by the end of this month. TAN prices are currently very remunerative due to export restriction from Russia and a general inflation in fertilizer-related commodities. We expect CHMB to operate the TAN plant at 63% utilization in FY27E and deliver a total EBITDA of ~INR 2.2bn with EBITDA per tonne of ~INR 15,000. Expect ramp up in volumes in FY28E and FY29E.

**Primary contender for a new Urea plant:** The government has plans to invite applications for ~4-6 new Urea plants to make India self-dependent in Urea production. In case the government chooses to do so, CHMB will be the primary contender to be awarded a new Urea plant due to its experience, size, preparedness and experience. CHMB has already secured land and environment ministry approval for expansion. It is also in talks with EPC players and plans to waste no time once it gets approval to set up a plant.

**G3 plant profitability still uncertain:** The revised normalized return parameters from the G3 plant post the expiry of deadline in December 2026 is still uncertain. While the government has initiated discussions on it, talks are still in the initial phase, and the government is likely to take time to come out with a final decision (to set a precedent for all the plants under the policy). We build in nearly one-third reduction in EBITDA per tonne from the G3 plant December 2026 onwards.

**Revise to Buy with TP of INR 544:** We expect CHMB to outperform peers in the phosphatic fertilizer space in the short term as Urea supplies and profitability are largely insulated with adequate gas supplies and automatic pass-through of subsidy. Additional EBITDA contribution from TAN will be an added positive in the short term. So, we raise our EBITDA and PAT estimates for FY27E by 14% and 15% respectively as CHMB is a beneficiary of higher price of gas and its value chain products. Revise CHMB to **Buy** with (from Accumulate) with TP of INR 544 (INR 522 earlier), on 11x FY28E EPS of INR 49.5. We introduced FY29E. In the long term, our view is unchanged – potential EBITDA erosion due to expiry of benefits for CHMB's G-3 urea plant in FY28 would outweigh gains from other businesses.

### Key Financials

YE March (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (INR mn)	166,462	207,937	266,871	253,478	255,617
YoY (%)	(7.3)	24.9	28.3	(5.0)	0.8
EBITDA (INR mn)	24,835	26,785	34,177	26,443	28,036
EBITDA margin (%)	14.9	12.9	12.8	10.4	11.0
Adj PAT (INR mn)	16,494	19,533	25,271	19,831	21,425
YoY (%)	29.3	18.4	29.4	(21.5)	8.0
Fully DEPS (INR)	41.2	48.8	63.1	49.5	53.5
RoE (%)	20.7	20.5	20.8	13.4	13.0
RoCE (%)	24.1	23.0	23.7	15.0	14.3
P/E (x)	10.9	9.2	7.1	9.1	8.4
EV/EBITDA (x)	6.9	6.4	5.0	6.5	6.1

Note: Pricing as on 15 May 2026; Source: Company, Elara Securities Estimate

Rating: Buy

Target Price: INR 544

Upside: 21%

CMP: INR 450

As on 15 May 2026

#### Key data

Bloomberg	CHMB IN
Reuters Code	CHMB.NS
Shares outstanding (mn)	401
Market cap (INR bn/USD mn)	180/1,878
EV (INR bn/USD mn)	172/1,792
ADTV 3M (INR mn/USD mn)	337/4
52 week high/low	651/400
Free float (%)	37

Note: as on 15 May 2026; Source: Bloomberg

#### Price chart



Source: Bloomberg

Shareholding (%)	Q1	Q2	Q3	Q4
	FY26	FY26	FY26	FY26
Promoter	60.5	60.6	60.9	61.3
% Pledge	19.7	22.3	23.7	23.5
FII	17.1	18.3	15.7	15.1
DII	6.6	4.0	4.7	5.4
Others	15.8	17.1	18.8	18.3

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(7.2)	(8.7)	(5.7)
Chambal Fertilisers	(0.8)	(2.9)	(29.3)
NSE Mid-cap	(2.1)	(3.9)	1.5
NSE Small-cap	4.6	(2.1)	3.5

Source: Bloomberg

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## Financials (YE March)

<b>Income Statement (INR mn)</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27E</b>	<b>FY28E</b>	<b>FY29E</b>
Total Revenue	166,462	207,937	266,871	253,478	255,617
Gross Profit	73,301	75,005	111,260	100,133	102,666
EBITDA	24,835	26,785	34,177	26,443	28,036
EBIT	21,533	23,295	30,027	22,088	23,561
Interest expense	484	68	100	100	100
Other income	2,151	1,269	1,822	2,127	2,446
Exceptional/ Extra-ordinary items	-	-	-	-	-
PBT	23,200	24,496	31,749	24,114	25,907
Tax	8,023	6,251	7,779	5,908	6,269
Minority interest/Associates income	1,317	1,288	1,300	1,625	1,788
Reported PAT	16,494	19,533	25,271	19,831	21,425
Adjusted PAT	16,494	19,533	25,271	19,831	21,425
<b>Balance Sheet (INR mn)</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27E</b>	<b>FY28E</b>	<b>FY29E</b>
Shareholders' Equity	87,281	104,079	139,549	155,963	172,820
Minority Interest	(160)	(181)	(130)	(130)	(130)
Trade Payables	6,303	9,365	11,085	10,923	10,895
Provisions & Other Current Liabilities	5,439	6,558	8,459	8,037	8,104
Total Borrowings	823	10,544	-	-	-
Other long term liabilities	14,383	13,659	13,684	13,671	13,673
<b>Total liabilities &amp; equity</b>	<b>114,068</b>	<b>144,024</b>	<b>172,647</b>	<b>188,464</b>	<b>205,364</b>
Net Fixed Assets	68,674	74,907	75,757	74,402	72,927
Goodwill	-	-	-	-	-
Intangible assets	35	77	79	79	79
Business Investments / other NC assets	9,137	9,419	11,497	11,145	11,204
Cash, Bank Balances & treasury investments	10,646	10,608	37,044	60,187	77,917
Inventories	18,023	22,798	25,590	20,834	21,010
Sundry Debtors	3,679	20,752	16,007	15,481	15,837
Other Current Assets	3,873	5,464	6,672	6,337	6,390
<b>Total Assets</b>	<b>114,068</b>	<b>144,024</b>	<b>172,647</b>	<b>188,464</b>	<b>205,364</b>
<b>Cash Flow Statement (INR mn)</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27E</b>	<b>FY28E</b>	<b>FY29E</b>
<b>Cashflow from Operations</b>	<b>13,883</b>	<b>1,321</b>	<b>33,505</b>	<b>26,303</b>	<b>20,743</b>
Capital expenditure	(5,730)	(8,920)	(5,000)	(3,000)	(3,000)
Acquisitions / divestitures	1,389	1,250	156	195	215
Other Business cashflow	11,732	2,852	1,822	2,127	2,446
<b>Free Cash Flow</b>	<b>21,273</b>	<b>(3,497)</b>	<b>30,483</b>	<b>25,624</b>	<b>20,403</b>
Cashflow from Financing	(31,280)	3,459	(4,047)	(2,482)	(2,673)
Net Change in Cash / treasury investments	(10,007)	(38)	26,436	23,142	17,730
<b>Key assumptions &amp; Ratios</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27E</b>	<b>FY28E</b>	<b>FY29E</b>
Dividend per share (INR)	5.0	6.0	7.6	5.9	-
Book value per share (INR)	217.9	259.8	348.3	389.3	431.4
RoCE (Pre-tax) (%)	24.1	23.0	23.7	15.0	14.3
ROIC (Pre-tax) (%)	29.1	25.7	29.1	22.3	24.7
ROE (%)	20.7	20.5	20.8	13.4	13.0
Asset Turnover (x)	2.5	2.9	3.5	3.4	3.5
Net Debt to Equity (x)	(0.1)	0.0	(0.3)	(0.4)	(0.5)
Net Debt to EBITDA (x)	(0.4)	0.0	(1.1)	(2.3)	(2.8)
Interest cover (x) (EBITDA/ int exp)	51.3	393.3	341.8	264.4	280.4
Total Working capital days (WC/rev)	51.6	85.2	101.1	117.7	146.5
<b>Valuation</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27E</b>	<b>FY28E</b>	<b>FY29E</b>
P/E (x)	10.9	9.2	7.1	9.1	8.4
P/Sales (x)	1.1	0.9	0.7	0.7	0.7
EV/ EBITDA (x)	6.9	6.4	5.0	6.5	6.1
EV/ OCF (x)	12.4	130.1	5.1	6.5	8.3
FCF Yield	12.4	(2.0)	17.7	14.9	11.9
Price to BV (x)	2.1	1.7	1.3	1.2	1.0
Dividend yield (%)	1.1	1.3	1.7	1.3	-

Note: Pricing as on 15 May 2026; Source: Company, Elara Securities Estimate

**Exhibit 1: Quarterly financials**

Financials (INR mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Variance (%)	FY26	FY25	YoY (%)
<b>Cons Net Sales</b>	<b>27,850</b>	<b>24,487</b>	<b>13.7</b>	<b>64,128</b>	<b>(56.6)</b>	<b>26,718</b>	<b>4.2</b>	<b>207,937</b>	<b>166,462</b>	<b>24.9</b>
Raw Materials	14,630	11,959	22.3	43,290	(66.2)	13,599	7.6	132,932	93,161	42.7
% of Net Sales	52.5	48.8	370bp	67.5	(1,497)bp	50.9	163bp	63.9	56.0	796bp
Employee Cost	660	616	7.1	645	2.3	700	(5.8)	2,873	2,332	23.2
Other Expenses	10,010	10,279	(2.6)	11,776	(15.0)	10,690	(6.4)	45,347	46,134	(1.7)
Total Expenditure	25,300	22,854	10.7	55,710	(54.6)	24,989	1.2	181,152	141,627	27.9
<b>EBITDA</b>	<b>2,551</b>	<b>1,634</b>	<b>56.1</b>	<b>8,417</b>	<b>(69.7)</b>	<b>1,729</b>	<b>47.5</b>	<b>26,785</b>	<b>24,835</b>	<b>7.9</b>
Margin (%)	9.2	6.7	249bp	13.1	(397)bp	6.5	269bp	12.9	14.9	(204)bp
Depreciation	901	816	10.4	866	4.0	875	3.0	3,490	3,302	5.7
<b>EBIT</b>	<b>1,650</b>	<b>817</b>	<b>101.8</b>	<b>7,551</b>	<b>(78.2)</b>	<b>854</b>	<b>93.2</b>	<b>23,295</b>	<b>21,533</b>	<b>8.2</b>
Interest	26	-	-	9	188.8	10	157.0	68	484	(85.9)
Other Income	288	553	(47.9)	406	(29.1)	140	105.8	1,269	2,151	(41.0)
Exceptional Items	-	-	NA	-	NA	-	NA	-	-	NA
<b>PBT</b>	<b>1,912</b>	<b>1,370</b>	<b>39.6</b>	<b>7,948</b>	<b>(75.9)</b>	<b>984</b>	<b>94.4</b>	<b>24,496</b>	<b>23,200</b>	<b>5.6</b>
Tax	458	374	22.4	1,930	(76.3)	347	32.0	6,251	8,023	(22.1)
Tax Rate (%)	24	27	(335)bp	24	(33)bp	35.3	(1,132)bp	25.5	34.6	(906)bp
RPAT	1,454	996	46.0	6,018	(75.8)	637	128.3	<b>18,245</b>	<b>15,177</b>	20.2
Share of profit from JV	238	307	(22.4)	470	(49.2)	275	(13.3)	1,288	1,317	(2.2)
<b>APAT</b>	<b>1,692</b>	<b>1,303</b>	<b>29.9</b>	<b>6,488</b>	<b>(73.9)</b>	<b>912</b>	<b>85.6</b>	<b>19,533</b>	<b>16,494</b>	<b>18.4</b>
Adj EPS	4.2	3.3	29.9	16.2	(73.9)	2.3	85.6	48.8	41.2	18.4

Source: Company, Elara Securities Estimate

**Gas supplies are normal**

Gas supplies from GAIL/ oil marketing companies are at optimal capacity Q1FY27 onwards. Prices are elevated but supplies are continuous, which will ensure optimum urea and surplus ammonia production.

**Exhibit 2: Urea volume grew 6.7% in Q4FY26**

Urea	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Volume (tonne)	672,000	630,000	6.7	983,000	(31.6)	3,405,000	3,470,000	(1.9)
Source: Elara Securities Research	36,184	35,603	1.6	37,722	(4.1)	36,903	37,922	(2.7)
Revenue (INR mn)	24,316	22,430	8.4	37,081	(34.4)	125,656	131,590	(4.5)
Indicative EBITDA (INR mn)	2,804	1,606	74.6	7,286	(61.5)	21,941	21,662	1.3
Indicative EBITDA/tn (INR)	4,173	2,549	63.7	7,412	(43.7)	6,444	6,243	3.2

**Trading business volume grew 71% YoY**

Volume (tonne)	65,000	38,000	71.1	294,000	(77.9)	1,230,000	564,000	118.1
DAP + NPK (tonne)	30,000	17,000	76.5	262,000	(88.5)	1,096,000	398,000	175.4
MOP (tonne)	35,000	21,000	66.7	32,000	9.4	134,000	166,000	(19.3)
Blended realization (INR)	49,685	43,947	13.1	62,927	(21.0)	57113	45426	25.7
Revenue (INR Mn)	3,230	1,670	93.4	18,501	(82.5)	70,249	25,620	174.2
EBITDA per ton (INR)	(1,771)	2,458	(172.0)	877	(302.0)	2,287	3,080	(25.7)

**CPC & SN Revenue declined 21.4%**

Revenue (INR mn)	305	388	(21.4)	3,401	(91.0)	12,029	9,261	29.9
EBIT (INR mn)	53	62	(14.5)	774	(93.2)	2,830	2,136	32.5
Margin (%)	17.3	16.0	138bp	22.7	-539bp	23.5	23.1	46bp

**Subsidy outstanding up 7x YoY**

Subsidy Outstanding (INR mn)	19,541	2,650	637.4	19,794	(1.3)	19,541	2,650	637.4
Subsidy Receipt (INR mn)	20,479	15,920	28.6	38,803	(47.2)	122,752	119,450	2.8

Source: Company, Elara Securities Research

**Exhibit 3: Urea volume dropped 2% in FY26**

Urea	FY23	FY24	FY25	FY26
Volume (tonne)	3,440,000	3,256,000	3,471,000	3,406,000
Realization (INR)	48515	39076	37911	36893
Revenue (INR mn)	166,890	127,230	131,590	125,656
Indicative EBITDA (INR mn)	22,123	18,131	21,662	21,941
Indicative EBITDA/tn (INR)	6,431	5,568	6,241	6,442

**Trading business volume up 118%**

Volume (tonne)	1,589,000	866,000	564,000	1,231,000
DAP + NPK (tonne)	1,400,000	712,000	399,000	1,096,000
MOP (tonne)	189,000	154,000	165,000	135,000
Blended realization (INR)	65242	51767	45408	57068
Revenue (INR Mn)	103,670	44,830	25,610	70,251
EBITDA per ton (INR)	(2,635)	1,845	3,080	2,286

**32% growth in CPC & SN EBIT**

Revenue (INR mn)	7,167	7,605	9,261	12,029
EBIT (INR mn)	1,363	1,528	2,136	2,830
Margin (%)	19.0	20.1	23.1	23.5

Source: Elara Securities Research, Company

**Exhibit 4: Valuation**

<b>(INR)</b>	
EPS – FY28E	49.5
Target multiple (x)	11
<b>Target price</b>	<b>544</b>

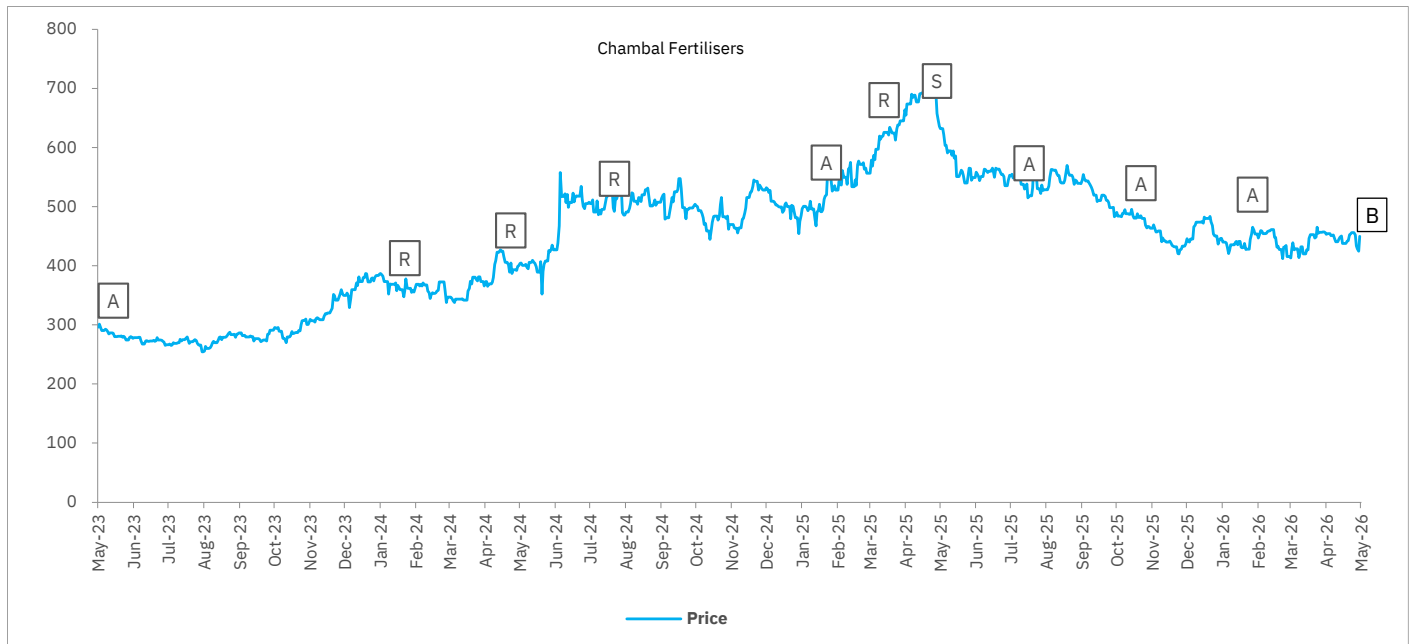
Source: Elara Securities Estimate

**Exhibit 5: Changes in estimates**

(INR mn)	Earlier		Revised		Change (%)		New
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY29E
Net Sales	195,318	202,655	266,871	253,478	36.6	25.1	255,617
EBITDA	29,958	25,430	34,177	26,443	14.1	4.0	28,036
EBITDA Margin (%)	15.3	12.5	12.8	10.4	(253)	(212)	11.0
Adjusted PAT	22,039	19,019	25,271	19,831	14.7	4.3	21,425
EPS (INR)	55.0	47.5	63.1	49.5	14.7	4.2	53.5
<b>Target Price (INR)</b>		<b>522</b>		<b>544</b>		<b>4.3</b>	
<b>Rating</b>		<b>Accumulate</b>		<b>Buy</b>			

Source: Elara Securities Estimate

## Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
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
15-May-2026	Buy	544	450

### Guide to Research Rating

<b>BUY (B)</b>	Absolute Return >+20%
<b>ACCUMULATE (A)</b>	Absolute Return +5% to +20%
<b>REDUCE (R)</b>	Absolute Return -5% to +5%
<b>SELL (S)</b>	Absolute Return < -5%

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