Management Discussion

Anil Sharma - Company Secretary and Compliance Officer, Krishana Phoschem Limited
Thank you, Steve. Good afternoon, everyone, and warm welcome to the earnings call of Krishana Phoschem Limited. Before we begin the earnings call, I would like to mention that some of the statements made during the call might be forward-looking in nature and hence it may involve risk and uncertainty, including those related to the future financial and operating performance. Please bear with us if there is a call drop during the course of the conference call. We would ensure the call is reconnected the soonest.

I would like to hand over the conference to Mr. Praveen Ostwal, Managing Director. Over to you, Praveen, sir.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Good afternoon, everyone, and thank you for joining us for Krishana Phoschem Limited Q1 FY '27 earnings conference call.

The first quarter witnessed a challenging operating environment for the phosphatic fertilizer industry, primarily driven by global supply-side disruptions, elevated raw material prices, and geopolitical uncertainties. Despite these external headwinds, Krishana Phoschem delivered a resilient performance supported by our integrated manufacturing platform, backward integration, efficient procurement practices, and disciplined working capital management. I will begin by discussing the industry environment, followed by our operational and financial performance, corporate developments, and growth outlook. We will then open the floor for your questions.

Macro and industry environment. The quarter began amid heightened uncertainty after the IMD forecast the southwest monsoon at 92% of long-period average, while the anticipated development of El Nino conditions raised concern over Kharif sowing and fertilizer demand. By the end of June, cumulative rainfall was nearly 40% below normal, resulting in national Kharif sowing declining by 22.7% year-on-year to 182.7 lakh hectares compared to 236.5 lakh hectares during the corresponding period last year. However, rainfall improved materially during early July, resulting in a rapid recovery in sowing progress, improved farmer sentiment and accelerated fertilizer offtake across several key markets for the remainder of the Kharif season.

Industry production and demand environment. During the April-May 2026 period, industry-wide production declined by 28% year-on-year, while SSP production dropped by around 7% year-on-year. Despite lower production levels, sales remained strong, with NPK sales increasing by 33% year-on-year and SSP sales growing by 28% year-on-year during the same period. This indicates that the decline in production was primarily due to supply-side constraints, including raw material availability and logistic challenges, rather than any weakness in underlying fertilizer demand.

West Asia conflict and raw material inflation. Geopolitical tensions in West Asia, particularly surrounding critical shipping lanes through the Strait of Hormuz, introduced considerable uncertainty across global industry, global fertilizer supply chain during the quarter, even India's dependence on imported rock phosphate, phosphoric acid, sulfur, and ammonia. The broader phosphatic industry remained vulnerable to these disruptions. The uncertainty surrounded shipping routes resulted in higher freight costs, delaying vessel movement, and increased procurement costs. At the same time, prices of key inputs, such as ammonia and sulfur, increased, while phosphoric acid and rock phosphate prices also remained elevated, placing additional cost pressure on the

industry. Despite elevated raw material prices, our diversified sourcing strategy, prudent inventory planning, and disciplined procurement practices helped partially mitigate cost inflation. We also continue to maintain the tight control over working capital while implementing calibrated MRP revisions to preserve competitiveness across our core markets.

Favorable developments. Despite these macro variables, the operating environment improved meaningfully toward the tail-end of the quarter due to a few critical structural developments. Minimum support price hikes. The Government of India announced higher MSPs of all 14 mandatory Kharif crops for the '26-'27 marketing season, featuring meaningful increase for key commercial and food crops, like soybean, groundnut, cotton, and pulses. These revisions will directly strengthen farmgate economics, enhance purchasing power, and support optimal fertilizer application rates.

Government of India's support. Despite significant inflation in global raw material prices, the government continues to support the phosphatic fertilizer sector through higher nutrient-based subsidy rates, thereby helping maintain affordability for farmers while ensuring industry's continuity.

National energy security initiatives. The recent West Asia conflict highlighted India's vulnerability regarding energy and feedstock imports. In response, the government's initiation of work on India's first strategic natural gas storage system reinforced long-term resource security, which will ultimately safeguard vital input supply lines for the domestic fertilizer sector.

Monsoon revival. Most importantly, monsoon activity revived strongly in early July, rapidly cutting the all-India rainfall deficit from nearly 40% at June end to approximately 24% by the first week of July. This pivot has triggered a massive acceleration in Kharif sowing across our primary marketing zones. Over the medium to long term, the structural shift towards balanced nutrient application, supported by favorable agricultural fundamentals and government initiatives, continues to provide a constructive outlook for the phosphatic fertilizer industry.

Financial performance, Q1 FY '27. Coming to our financial performance for the quarter, despite a challenging operating environment, the company delivered reasonable quarterly performance. Quarterly revenue from operations stood at INR532 crore, registering a 35% year-on-year growth, showing our operational strength and efficiency. Quarterly EBITDA stood at INR89 crore, reflecting a 36% year-on-year growth, supported by disciplined cost management despite volatility in raw material prices.

Quarterly profit after tax stood at INR47 crore, increasing 54% year-on-year. Quarterly earnings per share stood at INR1.52 compared with INR0.99 in the corresponding quarter of the previous year. For the quarter, achieved fertilizer production of 89,747 metric tons, showcasing our consistent operational efficiency. 43% capacity utilization of NPK/DAP unit and 121% capacity utilization of SSP unit, which was beyond the core.

Share capital optimization. Recently, company successfully executed a five-for-one stock split, sub-dividing the face value of our equity shares from INR10 per share to INR2 per share. This corporate action was strategically undertaken to enhance market liquidity, improve affordability for retail investors, and broaden our long-term shareholder base.

Strategic business initiatives. During the quarter, in response to evolving crop nutrition requirements and the growing demand for balanced nutrient application across our key markets, we strengthened our product portfolio by introducing additional variants of complex fertilizer, further expanding our offerings to meet the evolving nutrient requirements of Indian agriculture. As a part of this initiative, we introduced 12-32-16, 16-20-0-13, 15-15-15, 8-21-21, 9-24-24 [Phonetic]. These additions

complement our existing product portfolio and enhance our ability to serve diverse crop and soil nutrient requirements across different agricultural regions. This strategic expansion is expected to strengthen our market presence, improve product mix, and support long-term sustainable volume growth over the coming years.

Our integrated manufacturing platform, diversified product portfolio, spanning SSP, NPK, and beneficiation operations, strong raw material sourcing capabilities, and expanding distribution network continue to differentiate Krishana Phoschem within the phosphatic fertilizer industry. These structural strengths position us well to navigate cyclical volatility while capitalizing on long-term growth opportunities.

Growth Outlook. Looking ahead, we remain confident in our growth trajectory, supported by improving industry fundamentals and our continued focus on disciplined execution. Capacity ramp-up. The NPK capacity commissioned during the previous quarter is expected to witness a steady ramp-up in utilization over the coming quarters. Higher utilization, combined with a growing contribution from our higher margin complex fertilizer portfolio, is expected to drive revenue growth, improve operating leverage, and support stronger profitability.

Portfolio expansion. During the quarter, we expanded our product portfolio by introducing additional variants of complex fertilizers, enabling us to cater to a wider range of crop nutrient requirements and strengthen our presence across key agricultural markets. Favorable industry environment, improving monsoon conditions, higher MSP, and continued government support through the NBS framework are expected to support the fertilizer demand during remainder of FY '27. While the geopolitical situation in West Asia continues to remain uncertain, we remain focused on disciplined procurement, diversified sourcing, and operational execution. Our priorities remain centered on maximizing capacity utilization, improving product mix, driving operational efficiencies, and maintaining disciplined cost management to deliver sustainable and profitable growth.

On my closing remarks, in summary, the first quarter reinforced the resilience of our business model and our ability to execute effectively despite a challenging operating environment. With improving industry conditions and our continued focus on operational excellence and growth, we remain confident in our outlook for the remainder of FY '27. I would like to thank all our shareholders for their continued trust and confidence in Krishana Phoschem.

With that, we will now be happy to take your questions.

Questions & Answers

Operator
Thank you. We will now begin the question-and-answer session. [Operator Instructions] The first question comes from the line of Parth Sodha with Trinetra Asset Managers. Please go ahead.

Parth Sodha - Analyst, Trinetra Asset Managers
Yeah. So, my question is regarding the revenue growth. Do you still expect 35% to 40% is achievable?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
35% to 40%, what is achievable?

Parth Sodha - Analyst, Trinetra Asset Managers
Revenue growth.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Revenue growth of 35% to 40% from last year?

Parth Sodha - Analyst, Trinetra Asset Managers
Yes, sir.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
From last year, no?

Parth Sodha - Analyst, Trinetra Asset Managers
Yes, yes, sir.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
So, we have already told you in our speech that we are working on -- to smoothen our new operation of new expansion activity. And we are confident that we will start the production at full levels for the newer capacities, and we hope that we will be able to achieve our targets for this year, which comes to around 25% of last year's revenue. So, your figure of 30% to 35%, we are -- we can say that we will be able to achieve it.

Parth Sodha - Analyst, Trinetra Asset Managers
Okay. Thank you, sir.

Operator
Thank you. The next question comes from the line of Nishita Shanklesha with Sapphire Capital. Please go ahead.

Nishita Shanklesha - Analyst, Sapphire Capital
Yes. Hello. Am I audible?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Yes.

Nishita Shanklesha - Analyst, Sapphire Capital
Yeah. Sir, actually, your voice was breaking a little, so if you could just reiterate what the previous participant asked, if you could reiterate what your statement again. Your voice is breaking in between.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
What statement you want to know? What is...

Nishita Shanklesha - Analyst, Sapphire Capital
So, I just wanted to understand, you mentioned that we will be able to achieve the 35%, 40% growth, right?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Yeah, yeah. See, as we have already told you that we have expanded our DAP/NKP capacity from 1,00,000 to 1,65,000 So, we are hopeful that for the remaining quarters, we will be able to smoothen

our production and we will be able to achieve that 30%, 35% of the additional target or turnover from the last year.

Nishita Shanklesha - Analyst, Sapphire Capital
Okay, okay. Understood. And my next question is, in the previous call, you've mentioned that from the NPK/DAP facility itself, we can achieve a revenue of around INR400 crores, INR500 crores, and that is at conservative utilization. So, when can we reach those levels of revenue from that facility?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
From the old facility or from the new facility?

Nishita Shanklesha - Analyst, Sapphire Capital
So, I wanted to understand, this INR500 crore of revenue that we can do from NPK/DAP, that is from the total facility of 495 MTPA, or is it just from the new facility?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Our old facility is 3,30,000 tons and our new expanded facility is 1,65,000 tons. So, total is 4,95,000 tons facility. And the turnover which you are expecting for INR500 crores for 4,95,000 tons of DAP/NPK plus SSP. So, again, I would like to tell you that we are going to achieve this INR500 crores plus turnover quarter-on-quarter for the coming three quarters. There is no issue in achieving the top-line of more than INR500 crores because we will be able to produce as per our production capacity.

Nishita Shanklesha - Analyst, Sapphire Capital
So, we are saying that we can achieve INR500 crores of target in FY '27?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Definitely. We -- again, I would like to tell you that capacity utilization is not a problem. This quarter, the problem was raw material availability. So, the raw material availability has smoothened. And now, we are going to achieve the production capacities at full scale in the coming quarters.

Nishita Shanklesha - Analyst, Sapphire Capital
Okay. Understood. And if you can give any capex -- like, are we planning any capex in FY '27? If so, what is the amount of capex that we plan to spend in FY '27?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
As of now, we are working on the different type of additional production capacities, but since we have not declared on the statutory platform, and as soon as we finalize at the Board level, we will come back and declare it across the board.

Nishita Shanklesha - Analyst, Sapphire Capital
Okay, okay. Understood. Yes, thank you so much.

Operator
Thank you. The next question comes from the line of Anuj Haria with Inter Globe Services. Please go ahead.

Anuj Haria - Analyst, Inter Globe Services
Hi. Sir, could you just give me the breakup of the revenue, the INR532 crores of revenue that we've

achieved this quarter? How much was it from trading, SSP, and NPK/DAP? If you could just give me the breakup for the revenue and EBITDA.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Yeah, I can give you for the trading and the manufacturing. Trading was around INR173 crores and the remaining was for the manufacturing. And for SSP and -- for different fertilizers, right now, I don't have that data. But if you want, you can send us at -- send the information required -- send the questions on the mail, we can give it to you on the mail.

Anuj Haria - Analyst, Inter Globe Services
Okay. And sir, what was the EBITDA on the INR173 crores trading volume?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
EBITDA remains at around 7% to 8% [Phonetic] for the trading. And for the fertilizers, it is different on different products.

Anuj Haria - Analyst, Inter Globe Services
Understood.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
So, on an average, it is around 16%.

Anuj Haria - Analyst, Inter Globe Services
Sorry, I couldn't hear you.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
For the trading, it is around 7% to 8%, and for the manufacturing, it is around 16%.

Anuj Haria - Analyst, Inter Globe Services
Understood. And for quarter two -- just want to confirm, for quarter two, a lot of raw material problems have been resolved, is that what you're saying? So, for quarter two numbers, the NPK and DAP facility utilization will be higher than quarter one?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Yes, yes, definitely it will be higher than the quarter one.

Anuj Haria - Analyst, Inter Globe Services
Okay. And in the last call, you had mentioned that due to the raw material price hike, not all the raw material price hikes will be -- you'll be able to pass it on to the customer. Do you -- what is the current scenario, as to what percentage of increase in cost are you able to pass on to the customer?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
See, in total, I would like to tell you, it is around 25% to 30%, which has been passed on in total basis. Some amount of subsidies has been increased and some amount of MRP has been increased. So, the cost it was increased has been already passed on in the form of subsidy and in the form of MRP.

Anuj Haria - Analyst, Inter Globe Services
Understood. Okay. Thank you. Thank you. That'll be all from my end [Phonetic].

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Thank you.

Operator
Thank you. The next question comes from the line of Harsh with ABC [Phonetic]. Please go ahead.

Harsh Bhansali - Analyst, ABC
Yes. Yeah. My first question is that, as I can see that the revenue is increased by 34.6% year-on-year. But it declined to around 30% compared to previous quarter. So, what are the key factors behind it?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
See, what I can tell you is that, Q4, seasonality is normally stronger as compared to the -- this Q1 of new financial year. So, this is the basic reason that Q4 of every year will be stronger than Q1 of the coming -- for the new year. And this, you can link it in the past trends also. So, that is why the revenue from quarter-to-quarter FY '26 and FY '27, it is higher. But from the last quarter of FY '26 and the first quarter of FY '27, it is lower. This is the -- basically, it is a cyclic reason which is always there.

Harsh Bhansali - Analyst, ABC
Okay, sir. Understood.

Operator
Thank you. The next question comes from the line of Ajit Sethi with Eiko Quantum Solutions. Please go ahead.

Ajit Sethi - Analyst, Eiko Quantum Solutions
Thank you for the opportunity. Sir, I want to understand, at the current asset base, at peak utilization, how much revenue we can generate?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Peak revenue generation, we can do it -- let's hold on. For the year, you are asking? I should take it for the year?

Ajit Sethi - Analyst, Eiko Quantum Solutions
Yeah, at peak utilization, I think it's around 100% -- at 100% utilization of current asset base, so what revenue we can generate?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
See, you can calculate it yourself. Our capacity is 4,95,000 and the product price is around INR60,000. And for SSP, 1,20,000 tons of production, the price is around -- the total revenue is around INR20,000. So, you can take it as -- so, it can be around -- more than INR3,000-odd crores in total. If we take the capacity and the pricing I have told you, so it can be more than around INR3,000 crores.

Ajit Sethi - Analyst, Eiko Quantum Solutions
Okay. And so how should we look forward with the trading manufacturing ratio? Currently, it's around 33% trading and rest manufacturing. So, going forward, how should we look at this ratio?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Why we do trading is to basically facilitate the farmers. What product -- whatever products which we are not able to manufacture, we try to import it and trade it off. So, it is all value addition for the farmers and it is all value addition for the company as well, whereby we get an EBITDA of around 6% to 8%. So, ultimately, as and when the requirement of the product is there, we will keep on importing the products from the foreign countries.

Ajit Sethi - Analyst, Eiko Quantum Solutions
Sir, the reason for asking this, because these are diluting our margins, that's why. So, can we expect that this 30% ratio should be sustainable for trading, or it can increase going forward?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Again, what I want to tell you is, basically, the imported products complement our manufactured products. So, we also understand the EBITDA of the imported product is definitely down, but then it is only imported and packed and sold it to the farmers. So, complementing the business from each other will always give a value addition to the farmer, to the soil, and to the stakeholders as well.

Ajit Sethi - Analyst, Eiko Quantum Solutions
Okay, sir, And sir, last question is, what was the reason for the increase in EBITDA margin? Margin increased from 12% to around 17%. What was the reason for that?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
See, basically, while you would have heard in our speeches that we have tried to develop new products, all along in NPK. So, due to that, NPK new product -- production and sales in this quarter has increased the EBITDA, and we expect that the first sales of these products would result into a better crop production for the farmers in coming season, and we look forward to producing all different types of products in future also.

Ajit Sethi - Analyst, Eiko Quantum Solutions
So, new NPK grades have higher margins. So, should we expect this margin to increase from this level or to sustain at this level?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
I think 16% of EBITDA is also a good EBITDA margin in the fertilizer industry. But we will keep on working on the better products which are suitable for the company to earn the profits and for the farmers as well. So, this working is a continuous process, and we are confident that with the new products coming in, we will be able to achieve a higher EBITDA as well as better nutrients for the farmers in the coming times.

Ajit Sethi - Analyst, Eiko Quantum Solutions
Okay, sir. Thank you.

Operator
Thank you. The next question comes from the line of Archit Agrawal with Steptrade Capital. Please go ahead.

Archit Agrawal - Analyst, Steptrade Capital
Hello? Hello?

Operator
Yes, sir, please go ahead.

Archit Agrawal - Analyst, Steptrade Capital
Yeah. Sir, my question is about the EBITDA margin. So, the management in the last call has said that there will be pressure on the EBITDA margin in Q1. But the EBITDA margin has recovered well, it's like 16.7%. So, can I get -- can you tell me what drives this EBITDA margin growth?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
We -- as per our old working, we were expecting that the EBITDA margins may be difficult for the coming quarters. But now, since we have performed in this quarter and we are expecting that the EBITDA margins will be very good for the coming quarters as well. And the reason is that we have tried different, different products. And now, we are confident and successful in marketing and manufacturing of these new products. And we are confident to market these products in the different, different areas also. So, now, we are able to achieve better EBITDA margins than our expectations.

Archit Agrawal - Analyst, Steptrade Capital
Okay. So, you mean to say that it is the product mix that drives the EBITDA margin, sir?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
We have already told you in our speech also that we have manufactured different, different NPK grades. And that is why we are able to achieve better EBITDA margins than expected. And we are now confident that we will be able to keep track of the EBITDA margins which we have already achieved in the first quarter.

Archit Agrawal - Analyst, Steptrade Capital
Okay, okay. And one more question is about the receivable. You have mentioned that out of INR700 crores of receivables will be collected in the Q1. So, what is the update on that?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
INR700 crores will be received in the quarter one?

Archit Agrawal - Analyst, Steptrade Capital
Yes.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
You are getting this from the last quarter or how? [Speech Overlap]

Archit Agrawal - Analyst, Steptrade Capital
Yes, last quarter.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
So, you want to know about the present data right now or what should I understand?

Archit Agrawal - Analyst, Steptrade Capital
You have said that, like, INR700 crore receivables will be collected in the Q1. So, like, out of that, how much is collected?

Operator
Hello? Hello? Praveen, sir, can you hear us?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Yeah, yeah, just hold on. We are just working on it, on your question that regarding the collection of INR700 crores, because last quarter, the data was around INR300 crores. Last quarter, the data was [Speech Overlap] -- collection is more than INR700 crores or not? Collection is more than INR700 crores. Hello?

Archit Agrawal - Analyst, Steptrade Capital
Sorry? Yeah.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Yeah, collection is more than INR700 crores.

Archit Agrawal - Analyst, Steptrade Capital
Okay, okay. Thank you, sir.

Operator
Thank you. [Operator Instructions] The next question comes from the line of Rishi Mehta, an individual investor. Please go ahead.

Rishi Mehta - Analyst, Individual Investor
Hello. Sir, PAT margin actually declined from 11% to 8.9% on quarter-on-quarter basis, even though our revenue and EBITDA margins improved. Can you explain that?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Yeah. See, it is largely a function of the sharp rise in the finance cost and depreciation as the new capacities have come online. You are already aware that the plant is -- new plants are operating. So, the depreciation and the cost, which was INR8.7 crore, it has increased to INR13 crores -- around 13 crores. And the finance cost, which was around INR13 crores, it has increased to INR20 crores. So, all these costs have increased because of the new commissioned plant. And -- but as the utilization of the capacities, which are the new capacities, come into production, we expect that the operating leverage to more than this will offset these fixed costs also. So, this is not a big issue. It is only an impact of the new production capacity which has come in.

Rishi Mehta - Analyst, Individual Investor
Okay. Another question is, you have signed a 10-year 70,000 MTPA green ammonia agreement with SECI. What is the actual financial benefit to all, and when does it start contributing to us?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
See, this capacity of green ammonia is of a third-party capacity. And we will buy this green ammonia with an arrangement from the Government of India, Department of Fertilizers, one thing. And this capacity will start in FY '29, after two years. So, one point is I have made you clear.

Now, coming to that additional financial numbers -- the additional financial benefits are -- which they are going to come to the company, from this ammonia agreement, one thing is clear that our cost price will be in matching to the international gray ammonia prices. If the gray ammonia prices are higher than our contractual price, then the contractual price will be our price. And if the

contractual price -- sorry, if the gray ammonia price is lower, then the price for us will be gray ammonia price. So, we will be the lowest cost raw material buyer in the country for green ammonia after this facility comes in.

Rishi Mehta - Analyst, Individual Investor
Okay, sir. Thank you.

Operator
Thank you. The next question comes from the line of Dhwanil with i-Wealth Fund. Please go ahead.

Dhwanil Shah - Analyst, i-Wealth Management
Hi, sir, and thank you for the opportunity. Sir, just wanted to check on our sales volume data, if you can help me with that number on the manufacturing of DAP/NPK, SSP and on the trading, sir.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
For, DAP/NPK, it was 53,500. And for SSP, it was 36,300.

Dhwanil Shah - Analyst, i-Wealth Management
36,300. Okay. And for trading, sir?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
And for trading, just hold on. 21,000.

Dhwanil Shah - Analyst, i-Wealth Management
Sorry, sir, I didn't get it.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
21,000.

Dhwanil Shah - Analyst, i-Wealth Management
21,000. Got it. So, sir, if I'm seeing from last three quarters, our volume growth is declining, but we are increasing our trading, right? So, is it some different grade which we are doing the trading, or how to kind of understand this? Because we have ample capacity currently and we've expanded further to that. So, just wanted to understand, last two, three quarters we are doing roughly 53,000, 54,000 on an average.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
This quarter, definitely there is a...

Dhwanil Shah - Analyst, i-Wealth Management
Raw material issue you said.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
[Speech Overlap] One is raw material issue and one is that we have tried to manufacture different, different type of NPKs, which you can understand that every time when we shift to a different NPK, we need to stop our production. So -- and that was the requirement of the time because due to non-availability of raw material, we had to keep optimizing our different products and try to increase our EBITDA levels. So, for which we have been successful. And since the raw material issues now have been resolved and it is moving in a smooth direction, we are confident for the remaining quarters, we will be able to achieve our best capacities.

Dhwanil Shah - Analyst, i-Wealth Management
Got your point, sir. And sir, the current margins, if I just exclude the trading part, right, and when I compare this with the other industry players, our margins are superiorly high. So, just wanted to understand, sir, how to read on this? Because the larger players, Paradeep, Coromandel are at 8%, 9% and we are at 17%-odd currently, right? And the capacities of them are also quite large. So, sir, why is this -- why is there this margin difference, if you can help me understand?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Everybody understands valuation in the raw material prices, but then we have the diversified sourcing strategies, inventory management is there. There are many issues which are related to the business practices which can always mitigate that cost inflation and achieve a better EBITDA or better PBT level. This is how we are moving, and this is not new for our company. If you compare it with the -- all -- five years later, you will find that our numbers are always better than the industry, which is readable in last five years data.

Dhwanil Shah - Analyst, i-Wealth Management
Got it. Got it, sir. Great, sir. Thank you.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Thank you.

Operator
The next question comes from the line of Anuj Haria with Inter Globe Services. Please go ahead.

Anuj Haria - Analyst, Inter Globe Services
Yeah. Hi. Thank you for the opportunity again. Could you just repeat the DAP/NPK volume that you answered to the previous participant? Sorry, I couldn't hear you clearly.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
53,500.

Anuj Haria - Analyst, Inter Globe Services
Okay, 53,500. Got it. And just -- I'm just repeating my previous question. So, basically, if you say a 7% to 8% trading margin that we had on a INR173 crore top-line, which effectively means that on the manufactured products that self, own manufactured, we've earned an EBITDA of approximately INR77 crores, which is resulting in a 21% EBITDA margin. So, would you attribute that most of the increase in margin is due to the new varieties of NPK blends that we have manufactured, or from the SSP as well? Earlier, our EBITDA margins were in the 8% to 9% range. We have witnessed an increase in the SSP margins also.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
The product EBITDA would have increased, but definitely all new products coming in, all new different varieties have come in. And since we have tried for the new nutrients, there is definitely a combination of EBITDA being increased on the part of the cost and on the part of the selling prices also.

Anuj Haria - Analyst, Inter Globe Services
Understood. And would you attribute some of this EBITDA gain to the lower cost inventory that we had, or you think that these -- or these 21% EBITDA margins would be sustainable for the near

future?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Yes, yes, yes. That old -- the last quarter inventory prices have contributed to higher margins. But again, what I would like to tell you is that we are able to produce new and different type of variants of NPKs, and we are constantly -- keep continuing higher EBITDA margins for the coming quarters also. Since we have a backward integration of sulfuric acid, phosphoric acid, everything, we have benefited of phosphate. So, we had an extra cushion over and above any of the other competitors.

Anuj Haria - Analyst, Inter Globe Services
Understood, understood. Thank you, thank you. That'll be all from my end. Thank you.

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
Thank you.

Operator
Thank you. The next question comes from the line of Lohit Saini with Jay Ram Wealth Managers Private Limited. Please go ahead.

Lohit Saini - Analyst, Jay Ram Wealth Managers Private Limited
Thank you for the opportunity. Can you share your outlook on sulfur prices over the coming months?

Praveen Ostwal - Managing Director, Krishana Phoschem Limited
See, again, sulfur prices or any other raw material prices, it is always getting difficult because every time we are thinking of that the prices will go down, but every 15 days or every month, the prices have increased from almost -- in April, it was around INR65,000, INR70,000 to almost INR1,00,000 per ton in June and July. And the issues related to Hormuz has highly affected this enterprise. And in last seven days, you would have seen that once the Hormuz was open, then it is again closed. So, let's see what happens.

But again, INR1,00,000 is the highest price right now. And the sulfur production is also at a very lean stage in the refineries. So, let's see that from here, the sulfur price does not go up, but keep fingers crossed what will happen in the future. But for -- as a part of our company, we have contracts with our sulfuric acid manufacturers and we have our own sulfuric acid plant. So, we are trying to work out the best combination of old sulfuric acid manufacturing and the buyout of sulfuric acid, and that is why we are able to sustain in the market.

Lohit Saini - Analyst, Jay Ram Wealth Managers Private Limited
Okay, okay. Thank you for the detailed explanation.

Operator
Thank you. [Operator Instructions] There are no further questions at this time. I would like to hand the conference over to the management for closing comments.

Anil Sharma - Company Secretary and Compliance Officer, Krishana Phoschem Limited
Thank you, again, for joining us. If you have any further questions, please don't hesitate to reach out to our Investor Relations team. Thank you, and have a great day.

Operator
[Operator Closing Remarks]