Management Discussion

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited

Thank you, Yashasvi. Good noon, everyone, and welcome to the earnings call for Madhya Bharat Agro Products Limited. Before we begin the earnings call, I would like to mention that some of the statements made during today's call might be forward-looking in nature and hence it may involve risks and uncertainties i ncluding 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. Pankaj Ostwal, Managing Director. Over to you, Pankaj, sir.

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited

Good noon, everyone, and a very warm welcome to Madhya Bharat Agro Products Limited Q2 and H1 FY27 earnings conference call f or joining us today, I am pleased to share that MBAPL has delivered its best ever quarterly and half yearly financial performance despite challenging macro environment marked by an uneven monsoon, elevated global raw material costs, and supply chain disruptions, achieving all-time high across revenue, EBITDA, and PAT during an industry downturn underscores the resilience of our backward integrated business model and disciplined execution.

Before we open the floor for Q&A, I would like to walk you through the broader industry landscape, our financial and operational highlights, key regulatory tailwinds, and an update on our capital raise and Dhule expansion. Point number one, fertilizer industry trends and raw material environment. The domestic phosphatic fertilizer industries faced significant headwinds during Q2. SSP production and sales declined slightly, while NPK complex fertilizer production and sales declined sharply. Globally, geopolitical tensions in West Asia and transit uncertainties around the Strait of Hormuz kept freight, insurance, and raw material costs elevated, particularly for phosphoric acid and sulphur, t hough ammonia softens and rock phosphate remains stable. At MBAPL, we successfully navigated this volatility through diversified procurement and our integrated manufacturing setup, allowing us to protect margins and outperform the broader market.

Point number two, policy and regulatory tailwinds. On the policy front, the government has introduced strong support measures for the upcoming Rabi 2026-2027 season. Point number one, NBS revision. The overall nutrient-based subsidy outlay has been hiked by 64% to INR62,370 crores, up from INR37,952 crores last Rabi season. This will significantly help offset elevated global input costs and keep PMK fertilizers affordable.

Support for higher sulphur prices. A new special package covers 20% of actual procurement costs for domestic sulphur and sulphuric acid manufacturers subject to floor prices. SSP and crop support. Continued freight subsidies for SSP will boost its price competitiveness and distribution reach. Furthermore, higher minimum support prices for key Rabi crops like mustard, sunflower, and lentils should support farm economics and input demand alongside ongoing balanced nutrition initiatives under PM-PRANAM schemes .

Financial and operational highlights. Turning to our performance, our focus on cost control and operational efficiency translated into record numbers. Q2 FY27 performance. Revenue from operations grew from -- grew 59% Y-o-Y to INR715 crores. EBITDA more than doubled, rising 107% Y-o-Y to INR128 crores with healthy EBITDA margin of 18%. Profit after tax surged 155% Y-o-Y to

INR78 crores. EPS stood at INR1.76 compared to INR0.70 in Q2 FY26.

H1 FY27 performance. Revenue from operations up 32% Y-o-Y to INR1,135 crores. EBITDA increased 66% Y-o-Y to INR197 crores, delivering a 17% margin. PAT grew 89% Y-o-Y to INR111 crores, with EPS improving to INR2.52 versus INR1.34 in H1 FY26. Volumes, half yearly production stood at 2 lakh metric tons with sales of 2.32 lakh metric tons. Capital raise and Dhule Maharashtra expansion update. To fuel our next leg of growth and strengthen our balance sheet, we recently raised around INR300 crores via a preferential issue of equity shares. Of these proceeds, INR192 crores is earmarked for working capital to support higher scale, INR333 crores for capital expenditure at our Dhule Maharashtra facility, and INR75 crores for general corporate purposes.

At our Dhule asset, we have successfully commissioned both the 3,30,000 metric ton per annum DAP/NPK fertilizer plant and 99,000 metric ton per annum captive phosphoric acid plant. Commercial production at the DAP/NPK fertilizer unit is poised to begin as soon as we receive the final statutory geometrical clearances and other regulatory requirements. Our next phase of expansion at Dhule in FY28 will further add 3,30,000 metric tons per annum of DAP/NPK fertilizer capacity, 66,000 metric tons per annum of phosphoric acid capacity, 1,98,000 metric tons per annum of sulphuric acid capacity. Upon completion, Madhya Bharat Agro Products Limited's total fertilizer capacity will scale up to approximately 1.6 million tons -- metric tons per annum by FY28, positioning us an even stronger, fully integrated in Indian agro input space.

Strategic roadmap and medium-term priorities. As we transition into our next phase of growth, our execution is anchored around three clear strategic priorities d esigned to expand market share and enhance stakeholders' value. Geographic -- geographical diversification, leverage our expanding manufacturing footprint, particularly the new commissioned Dhule, Maharashtra facility, to strengthen our presence across existing markets and enter new high demand agriculture regions. Optimizing capacity utilization, focus on progressively scaling up operations at Dhule, Maharashtra facility and optimizing overall capacity utilization to drive production growth, improve operating leverage, and enhance profitability. Expanding NPK portfolio, by combining in-house manufacturing with strategic sourcing of traded NPK grades, we are offering a comprehensive crop nutrition basket. This strengthens dealer engagement, enhances realization, and caters to diverse regional soil requirements.

In conclusion, looking ahead to the Rabi 2026-2027 season, we remain cautiously optimistic as strong policy tailwinds provide solid support to protect farmers' purchasing power and revive consumption. Moreover, the structural push towards balanced nutrient application continues to create a strong runway for complex NPK fertilizers. With our strong operational momentum, a fortified balance sheet, and clear strategic focus, MBAPL is well positioned to deliver consistent long-term value.

Thank you once again for your continued trust and support. With that, I request the moderator to open the floor for questions.

Questions & Answers

Operator
Thank you very much. We will now begin the question- and- answer session. [Operator Instructions] We'll take our first question from the line of Mitansh Modi , an individual investor. Please go ahead.

Mitansh Modi - Analyst, Individual Investor
Hello, am I audible?

Operator
Yes.

Mitansh Modi - Analyst, Individual Investor
Good afternoon, sir. First of all, congratulations for such amazing numbers. I have a few questions. My first question is regarding the raw material, raw material prices for ammonia were elevated in Q2. Will that mean that EBITDA margins for Q3 might shrink a little?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
See, this is a very, what you can call it as a general question regarding raw material, that the prices may come down, may increase. So we are monitoring, we are working on the prices of raw material. Maybe it is ammonia, maybe it is sulphur or phosphoric acid, and we are trying our best to get the best prices, raw material and convert it into fertilizer and then realizing it. So right now we cannot comment it that ammonia prices will impact our Q3 or Q4 results, but definitely we are confident that we will achieve the target of production and good results in coming quarters.

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
Look for fertilizer, particularly phosphatic fertilizer manufacturers never look at short-term strategies. There have been price volatility in the past, and specifically in the first half, and you can see that this has been taken care while announcing the limited rate subsidy for the second half. So short term, there can be dent, there can be positivity, but on a long-term basis the Madhya Bharat is well positioned. That is the point I want to convey.

Mitansh Modi - Analyst, Individual Investor
Okay, sir, thank you so much. And my second question is regarding NPK and DAP sales has been reduced compared to H1 FY26. Any remarks on that, sir?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
See, as you are already aware that globally there were many issues regarding raw material and finished goods. And there were transit issues. Everything was happening across the country. And if you see the numbers from Q1 and Q2, there is definitely a marginal decrease, but in coming quarters we'll be able to make up, and we are confident that we will do good business in coming quarters. And apart from manufacturing, we are already importing the fertilizers, so we are trying to balance it out, t he manufacturing as well as imported fertilizers.

Mitansh Modi - Analyst, Individual Investor
Got it, sir. And the third is trade receivable is INR632 crores. Any remarks on that?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
Again, September Q2, it has closed on -- definitely on a higher debtors, but you will see that the business has also increased. So as the business increases, the debtors may increase slightly, but it is all good debtors. It is not any doubtful debtors. And this is the part of the business, and it includes the subsidies, the subsidy from the government, and this is good quality of debtors is there.

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
Another thing is that the sale during the first half there has been lopsided sale in the second quarter, t he sales have been better because of the delayed monsoon, and obviously the sale during the second quarter will be realized in the third quarter. So you can say it is a one-time aberration which will be corrected in due course of time.

Mitansh Modi - Analyst, Individual Investor
Okay, so that means inventory levels are high in this because of less NPK and DAP sales than expected.

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
Obviously. [Foreign Speech]

Mitansh Modi - Analyst, Individual Investor
Okay, sir. And recently Company has announced new business, commission agency business. What about that? Anything about that?

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
That is a one time, as and when opportunity comes, i t's not a material. Because of regulatory compliances requirement, we need to declare it. I don't think the investors should take any major [Indecipherable] of such a nnouncement when this contribution of such business will be hardly 2%, 3% .

Mitansh Modi - Analyst, Individual Investor
Okay, okay, got it, sir. Thank you so much.

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
It's more of a regulatory requirement.

Mitansh Modi - Analyst, Individual Investor
Okay, okay, thank you so much, sir.

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
Okay.

Operator
Thank you. Next question is from the line of Nitin Kaushik from Afin Capital Private Limited. Please go ahead.

Nitin Kaushik - Analyst, Afin Capital Private Limited
Good afternoon, sir. Sir, I'm audible?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
Yes, yes.

Nitin Kaushik - Analyst, Afin Capital Private Limited
Sir, first of all, could you walk us through the working capital cycle over the years? Like which month do you build raw material stock, and when do dispatches peak, and when does cash come in? If you can explain that in months, if possible.

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
Look, working capital cycle in particularly phosphatic fertilizer is quite large. We normally maintain about 45% of the sales turnover, of annual sales turnover as current assets. There has been some aberration for September which we can set right by coming six months. So you can say it is almost a six-month period by which the payment to the raw material is converted back into cash for purchase of raw material.

Nitin Kaushik - Analyst, Afin Capital Private Limited
Okay, sir. S ir, also can you highlight the capex which you will do in FY27 and FY28, if possible total capex amount?

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
What is your question, please repeat?

Nitin Kaushik - Analyst, Afin Capital Private Limited
Total capex amount by FY 27 and FY 28.

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
See, we are already working on in this Dhule project and we are on the verge of completion of our project. The commissioning has been done and we would be starting our commercial production in due course pending certain regulatory issues. So -- and our next phase, we are still working on the project cost, and as soon as we finalize the working -- we finalize the total project cost, we will come back to you.

Nitin Kaushik - Analyst, Afin Capital Private Limited
Okay, sir. Also sir, can you tell about the sustainable EBITDA margin going forward for FY26? Like what would it be?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
FY26 to -- you want to compare with which figure FY26 to?

Nitin Kaushik - Analyst, Afin Capital Private Limited
So it's an FY27 sustainable EBITDA margin.

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
See, again, you try to understand, FY26 EBITDA was around 12%. FY27 also it will be in the range because already this six months you have seen our EBITDA percentage. So, but this six months, this H1 was higher due to the declaration of the new subsidy figures. But in due course we expect it to be consistent in our previous years. It is around 12%, 13%, 12%, 13%, 14%.

Nitin Kaushik - Analyst, Afin Capital Private Limited
Also, sir, like you are doing capacity expansion, so how will it transform into EBITDA margin? Like,

after all this capacity expansion is completed, so what percentage points could be added to EBITDA margin?

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
See, I don't think there will be any addition in the EBITDA margin. Whatever new capacity is there, in absolute terms, EBITDA will be added. In percentage terms, as our MD has assured, we will be maintaining 12% to 13% EBITDA margin.

Nitin Kaushik - Analyst, Afin Capital Private Limited
Okay, sir, that's it from my side. And congratulations on the result and best of luck for future.

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
Thank you.

Operator
Thank you. Next question is from the line of Shruti from SM Financial. Please go ahead.

Unidentified Participant - Analyst
Hi, is my voice audible?

Operator
Yes, Shruti, please go ahead.

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
Yes.

Unidentified Participant - Analyst
Yeah, so it's Shruti Nahar [Phonetic]. Yeah, first of all, congratulations on the good set of numbers. Now I have two to three questions. What are the quarter-wise ramp-up assumptions for Dhule, NPK, and SSP in H2 given SSP output fell in Q2, if you can share those numbers?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
So we will give you for the -- we will give the numbers for H1, but we can give you a broader capacity utilization. You will have to calculate the numbers.

Unidentified Participant - Analyst
Yeah, that's okay for me.

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
And that too we can give you for the half year, not the quarter, because already the plant has been commissioned and we propose to start our commercial production in due course. So you can call it -- you can give -- you can take the numbers around 40% to 50% of the capacity because this will be a new facility starting up, and you can understand that a bigger plant has its own teething problems once the production starts. So for your calculation purpose, you can always take 40% to 50%.

Unidentified Participant - Analyst
Okay, okay. And what were the realization and EBITDA per ton by product, if you can share those

numbers?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
Presently we are achieving in the range of 12% to 13% of EBITDA, and we are confident that with the coming facility in Maharashtra, Dhule, t here also we will be able to achieve the same number subject to the price -- in prices of raw material and recovery from the farmers and vis-a-vis the subsidy declaration every six months.

Unidentified Participant - Analyst
It's 12% to 13% that you said, right?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
Yes.

Unidentified Participant - Analyst
Yeah, okay. If you can like share the future guidance, as we already quoted that we will be doing around INR4,000 crores this year. So are we on that guidance, the previous guidance or is there any kind of shift over there?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
INR4,000 crores.

Unidentified Participant - Analyst
So under revenue guidance that we were -- that has been shared previously, are we on that...

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
That is full year production. I think it is FY28.

Unidentified Participant - Analyst
Yeah, for FY28, y es.

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
Yes, yes, we will be able to maintain it. And as the history speaks, the Madhya Bharat or for that region Ostwal Group, they have always excelled the estimate even. So rest assured, we will have better performance.

Unidentified Participant - Analyst
And just last question, if you can highlight more on the SSP production that fall about like 15% after adding a 330,000 metric tons of capacity, and what is Dhule SSP run rate, if you can share this number?

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
For Dhule SSP, while the plant has been commissioned, we have declared commercial production, but there have been certain issues. So the sales is yet to start. So as our MD has given you an estimate, I think anytime next week or this week or within 10 days, we will be starting all these things. So 40% to 50% capacity utilization and translating into sale.

Unidentified Participant - Analyst
Okay, okay, thank you, thank you so much.

Operator
Thank you. [Operator Instructions] Next question is from the line of Shubham from Equirus. Please go ahead.

Shubham Agarwal - Analyst, Equirus Family Office
So my first question is that the Q2 EBITDA margin expanded significantly. So could you help us understand how much of the Q2 margin was driven by product mix, raw material cost, and operating leverage?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
So you try to understand that we have an integrated manufacturing facility and we cannot dedicate it to a certain, one idea of raw material cost or product mix or -- it is basically, it is disciplined procurement, diversified sourcing, and there are many other factors which helps us to maintain our EBITDA. So -- and this gives us the positioning in the business to grow and maintain the business and profits in our business.

Shubham Agarwal - Analyst, Equirus Family Office
Okay, sir. And my second question is that the Q2 utilization data shows a significant difference across the integrated facilities, particularly like sulphuric acid and phosphoric acid. So as the Dhule plant complex ramps up, how do you see the utilization across the backward integrated facilities evolving and where we can expect these assets to approach optimal utilization?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
See, you have seen the current utilization levels in our Sagar facility and Dhule facility is still coming up and the commissioning has been done, and we are still awaiting certain regulatory requirements from the government authorities, whether it is central government or state government. And as soon as we receive these consents, we will be able to start our Dhule production facility. And we are confident that since it is a backward, fully backward integrated facility, we can -- we will be able to utilize our -- all the capacities, whether it is backward raw material facilities or the front end of fertilizer, we will be able to utilize it on an optimum requirement and on a fully integrated basis, w e will be able to achieve the requisite production numbers.

Shubham Agarwal - Analyst, Equirus Family Office
Okay, sir, understand.

Operator
Shubham, you're through with your questions?

Shubham Agarwal - Analyst, Equirus Family Office
Yes, ma'am. I'm done.

Operator
Thank you. [Operator Instructions] Next question is from the line of Disha from Sapphire Capital. Please go ahead.

Disha Chordia - Analyst, Sapphire Capital
Hello, am I audible, sir?

Operator
Yes, please go ahead.

Disha Chordia - Analyst, Sapphire Capital
Yes, thank you so much, sir, for this opportunity. So a couple of questions. So firstly, from the Dhule plant, you mentioned we're expecting 40% to 50% utilization, what's the peak revenue potential that we can achieve from this plant, sir, at optimum utilization?

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
Look, at Dhule, we have a capacity of INR3,30,000 [Phonetic], which is in DAP. If you translate that, it itself is INR2,000 crores at the present rate. And INR3,30,000 [Phonetic] is SSP, and if you translate that, it translates to INR600 crores to INR700 crores. So the plant has a capacity to create at turnover of about INR2,800 crores.

Disha Chordia - Analyst, Sapphire Capital
Okay, and out of that we'll be utilizing 40% to 50% this year, and next year will be the optimal utilization. Is that correct?

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
Optimal means, let us see, it's a new plant with all teething problem and balancing, and then some. You should know that we have procured this secondhand plant from Birla Copper. There can be a teething problem, but still we expect we should be able to achieve 70% capacity utilized in FY28 comfortably. And we have experience of running all these facilities, so we are confident that we will be able to achieve the requisite number.

Disha Chordia - Analyst, Sapphire Capital
Right, right. So also just wanted to understand a bit more from the demand perspective, h ow are you seeing the demand? Because there's been a drought situation in Maharashtra also. So what's been the impact of that, and how do you see overall the second half panning out for us? Just a bit more color on that.

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
See, definitely the fertilizer consumption depends on rainfall and the other infrastructure available in the country. And there is a shortage of rainfall, but it is scattered. In some areas it is in -- there is an excess rainfall, some areas there is deficiency rainfall. And now after this Dhule facility coming up, we will be marketing our fertilizer products across the country, leaving some states. So we have a geographical diversification of our market. We are confident of selling our fertilizers across the country, whether particularly if Maharashtra is facing some drought situation, we will be able to push our product in other states like Karnataka, Tamil Nadu, Andhra , Telangana. There are many other places whereby we can sell the material. And fertilizer has been a product which is already in demand across the country. So selling has never been an issue and it will never -- it will not be an issue for sales. It can be time or timed effort. It can be 15 days here or there. It cannot be that the product will not be sold.

Disha Chordia - Analyst, Sapphire Capital
Right, right. Okay, fair enough, sir. So also for this quarter, so our margins are expanded sharply, and you alluded to the fact that -- all the reasons. So going ahead, you mentioned that we are still expecting margins to be in the range of 13% to 14%. So why is that? So like this 18% margin, do you not think will be sustainable going ahead?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
No, see what happens is there is certain style of business You cannot have the margins on a -- higher margin on a regular basis because you need to provide the fertilizers at a reasonable price. And 12%, 13%, 14% of EBITDA is a good number for any business. I don't know what is -- how you have reached to a conclusion that 13%, 14% -- 12%, 13% margin is not sustainable. We have been booking this 13%, 14% from the last nine years and we have been showing profit.

Disha Chordia - Analyst, Sapphire Capital
No, no, sir, I was just asking this 18% margins that we've delivered this quarter.

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
18%, t his is an exception for this H1, because the new subsidy policy has released, and there is higher revenue coming from government on account of the stocks which are present in the market.

Disha Chordia - Analyst, Sapphire Capital
Okay, so will it be possible to quantify how much of this additional EBITDA is because of this new subsidy b ecause of that?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
Yeah, again, you try to understand that, that 12%, 13%, 14% of EBITDA is a good sustainable business, good sustainable margin, and anything higher , it can be an event-based, like the subsidy increase. So -- and if you see our records, old records, 12%, 13%, 14% has been the numbers.

Disha Chordia - Analyst, Sapphire Capital
Right.

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
And this is what we foresee in coming time.

Disha Chordia - Analyst, Sapphire Capital
Okay, okay, okay, fair enough, sir. That is it, sir. Thank you so much and all the best for the future.

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
Thank you . Thank you.

Operator
Thank you. Next question is from the line of Amit, an Individual Investor. Please go ahead. Amit?

Amit - Analyst, Individual Investor
[Foreign Speech] H ello?

Operator
Yes, please go ahead.

Amit - Analyst, Individual Investor
[Foreign Speech]

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
[Foreign Speech]

Amit - Analyst, Individual Investor
Okay, okay, okay.

Operator
Thank you. [Operator Instructions] Next question is from the line of Lalit Kumar Sharma, an Individual Investor. Please go ahead.

Lalit Kumar Sharma - Analyst, Individual Investor
Many, many congratulations, Madhya Bharat management, for this tremendous returns to investor and to Company as well as. And my questions again related to expectations about the -- after Q2 results. So I simplify my question. After the strong H1 performance and the commissioning of Dhule expansion, does Company remain comfortable with financial year '27 revenue and EBITDA growth outlook which is communicated earlier in the con call? And has the internal expectation changed following the Q2 performance?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
See, we, we remain confident in the outlook that we had communicated earlier, that we -- our EBITDA of 13%, 14% will be there. And in our earlier calls also, we have been confident and we have been telling all the shareholders that the business is growing, Company is growing. Any type of problems, we are trying to work, work in, in the interest of the Company, and we will be able to maintain our EBITDA levels. The Q2 performance, you have seen, it has been increasing. Overall, performance has improved, and, and in the future also, we will be able to maintain the numbers.

Lalit Kumar Sharma - Analyst, Individual Investor
Okay, okay. And so my second question again related to this expansion, and that question is that the Company has outlined the incremental revenue opportunity of around INR3,500 crores from the Dhule expansion at optimal utilization. What the utilization level across the expanded portfolio would be required to approach the revenue opportunity, and how should investors think about the timeline for reaching it?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
See, first of all, we should not look this as an immediate revenue target. It is -- see, it is phased. First, you should talk about H1, then we should talk about next year. So in a phased manner, we will be able to achieve all these numbers because once you have the capacity, you have the potential to sell the product, you have the experience, you can always achieve the numbers. This numbers is an expectation coming out from the capacity utilization of a plant. So in phased manner, definitely we are going to achieve the projected targets. And we are growing, we will continue to execute our expansion phases, and we will keep on maintaining the operational and difficult -- operational and financial performance in coming years.

Lalit Kumar Sharma - Analyst, Individual Investor
Okay, okay, sir, o kay. And my one more question I would like to be present, that is again regarding

the -- your backward integration and forward integration. The question is, despite the -- evaluate the phosphoric acid and sulphuric prices due to profitability improved and sustainability, sustainability, and how much protection does the current level of backward integration provide against the raw material volatility and what addition margin benefit should we have expect as the Dhule integrated facility ramp up?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
Again, you try to understand that this is the -- this is a better efficient management of the purchase and procurement and operational levels at the plant level. So once we are buying the raw material at reasonable prices or at best prices, we are able to convert it into fertilizers and sell it in the market. We are achieving a good number, and this is the best part for any management to be delivered to the shareholders. And regarding your utilization for the backward integration, we are confident that we will keep on utilizing the the backward manufacturing facilities of our phosphoric acid, sulphuric acid in spite of higher sulphur prices or phosphoric acid or ammonia. And we will be utilizing the facility at an optimum and conservative level and keep on producing the raw material for our fertilizers and ultimately giving a value addition to the Company and the stakeholders.

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
Look, based on the experience we have for more than two decades, we have an inclination how a balance of backward integration to be used. For example, this phosphoric acid, obviously buying directly to market has never been a beneficial option, so we always produce ourselves. But in case of sulphuric acid, there are opportunities because many producers where this sulphuric acid is a byproduct, under compulsion they sell at very reasonable prices. So we take a call at appropriate time how a mix of raw material procurement, backward integration utilization should be used. So we keep on changing, and for the best benefit of the Company, we take a decision.

Lalit Kumar Sharma - Analyst, Individual Investor
Okay, okay, sir. And my last and final question, I told in last question also, but by your reply the clarity is coming more. So as we have already reaching with the almost finalization of your -- sorry, not finalization, the commitments of this project. So what other products you -- projects you have planned for the Madhya Bharat Agro Products for financial year 2030?

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
We have already declared further expansion of 3,30,000 tons of our DAP/N PK fertilizer with backward integration of phosphoric acid and sulphuric acid, and we will be coming back with the exact capex being done in Madhya Bharat in coming times. This project will be coming up within -- coming up in Dhule.

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
I think you are asking that what type of different product we can produce at Dhule. Is it so?

Lalit Kumar Sharma - Analyst, Individual Investor
Yes, yes. And Dhule and being investor, what is my mentality is that I want to be always curious about to know that what is the further capex will be going on till 2030.

Sourabh Gupta - Whole Time Director and Chief Financial Officer, Madhya Bharat Agro Products Limited
Look, further capex MD has already clarified that there is a plan for the next phase, but as and when we finalize, we will definitely convey to you. But as far as the mix of product mix is concerned, yes, our plant is capable of producing all type of NPK and DAP, and SSP also, various composition are able to produce. So depending upon the raw material prices, demand, and everything, we'll keep on changing o ur plant has that capability.

Lalit Kumar Sharma - Analyst, Individual Investor
Okay, okay, sir. Thank you so much for your valuable time and replying my queries. Thank you so much and wish you all the best and best of luck for your future expansions. Thank you.

Pankaj Ostwal - Managing Director, Madhya Bharat Agro Products Limited
Thank you.

Operator
Thank you. [Operator Instructions] As there are no further questions from the participants, I now hand the conference over to management for closing comments. Over to you.

Unidentified Speaker
Thank you once 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]