INVasset Corporate Insights

Coromandel

FUTURE POSITIVE

22nd September, 2025

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India's Best Performing and Most Customer Centric PMS

Coromandel International Limited (CIL) is one of India's leading agri-solutions providers, offering an integrated portfolio that spans plant nutrition (fertilizers, specialty nutrients, organics and nano products), crop protection (insecticides, fungicides, herbicides and PGRs) and a fast-growing retail and services footprint focused on advisory, soil testing and on-farm mechanization. The company describes itself as "India's pioneers and leading agri-solutions provider," and today it is also India's largest private-sector phosphatic fertilizer company, the world's largest neem-based biopesticide manufacturer, and operator of the country's largest agri-retail chain with over 900 stores across southern markets.

Coromandel's model is built around securing upstream inputs, manufacturing at scale, and owning the last-mile relationship with farmers. In nutrition, the company produces complex NPKs, DAP and SSP and supplements these with differentiated specialty and organic offerings; in protection, it runs a broad technical and formulations platform serving domestic and export demand; and in retail, it is deepening engagement via physical outlets, e-commerce and field services. This integrated approach helps the business to balance subsidy-linked fertilizer revenues with higher-margin, innovation-led products in crop protection, specialty nutrients and bio-solutions.

The latest quarter underlines that strategy. In Q1 FY26 (quarter ended June 2025), Coromandel delivered consolidated revenue from operations of ₹7,042 crore, EBITDA of ₹782 crore, and PAT of ₹502 crore, with net debt-to-equity at 0.0x — a combination that reflects strong operating leverage and a conservative balance sheet. Management highlighted that performance was supported by healthy volumes, higher subsidy rates, and margin expansion in crop protection.

Operationally, the company recorded its highest-ever primary sales at ~11 lakh tones, up 31% year-on-year. Within nutrients, manufactured NPK+DAP sales were 8.93 lakh tones (up 10%), and imports rose to 2.07 lakh tones as the company flexed its trading and sourcing linkages to supplement production. SSP volumes grew 20% to 1.89 lakh tones, and urea volumes increased 23.5%, reflecting both strong farm demand and effective market execution.

Coromandel's crop protection engine is regaining momentum. In Q1 FY26, the segment posted revenue of ₹725 crore (up 31%) and EBIT of ₹111 crore (up 77%), aided by a better domestic season, improved export demand (notably for mancozeb), and a sharper mix of new launches. The business introduced 10 products in the quarter (three insecticides, three herbicides, three bio products and one PGR, including one in-licensed molecule), supporting the aim to lift the share of new products in the portfolio.

A key differentiator for Coromandel remains its innovation in specialty and bio-inputs. Management reports a strong quarter in Specialty Nutrients (volume +12%) and Organic Fertilizers (+29%), alongside progress in Nano DAP (the company is among the first in India to bring a nano formulation to market) and the commercial launch of Nano Urea through its retail outlets during Q1. These technologies are positioned to improve nutrient-use efficiency and complement conventional fertilizers, especially as DAP supply remains structurally tight.

Stock Data	
CMP (22-09-2025)	Rs. 2263
52 Week High/Low	Rs. 2720/Rs. 1546
Face Value (in Rs.)	Rs. 1.00
Market Cap (In Crs)	Rs. 66.63K Cr
Enterprise Value (In Crs)	Rs. 63,874 Cr
NSE	COROMANDEL
BSE	506395
Bloomberg	CRIN:IN
Sector	Fertilizers

Shareholding Pattern (in %)		
	Jun 24	Jun 25
Promoter	57.32%	56.90%
FII	7.52%	14.28%
DII	20.79%	15.86%
Public	14.39%	12.85%

Price Performance (In%)			
(%)	1M	6M	1Yr
Nifty 50	1.84%	12.13%	-0.33%
Coromandel	-6.39%	19.38%	31.48%

Key Ratios	
Debt to Equity	0.07
ROCE	23.2%
ROE	16.9%
P/E	33.6
PEG Ratio	8.11
EV/EBITDA	19.6
P/S	2.52

Macro Tailwinds: Structural Levers Driving Growth

1. Early, well-distributed monsoon
The Indian monsoon in FY26 arrived early and was well-distributed across key agricultural states. This had a twofold impact on the agri-input industry: first, it accelerated Kharif sowings, which directly lifted the demand for fertilizers and crop protection products. Second, it helped to clear out channel inventories that were elevated last year, ensuring that primary sales translated quickly into consumption. Industry-wide fertilizer consumption in Q1 rose by around 9% YoY to 4.5 million tones, setting a solid demand base for the rest of the year. For Coromandel, this meant strong volume growth across NPKs, SSP, and Urea, as well as higher adoption of premium offerings like specialty nutrients and bio-products. The early demand also allowed the company to run plants at full utilization, boosting operating efficiency and cost absorption.

2. Policy support via higher NBS rates & prompt subsidy settlement
Government policy continues to act as a strong tailwind for the fertilizer sector. The Nutrient-Based Subsidy (NBS) scheme saw a significant upward revision for FY26 H1: the subsidy for phosphorus (P) was increased from ₹30.8/kg to ₹43.6/kg, and for Sulphur (S) from ₹1.76/kg to ₹2.61/kg. These revisions improve realizations in phosphatic fertilizers and SSP, two of Coromandel's core strengths. Beyond pricing, subsidy disbursements have been much more timely compared to last year, which directly improves liquidity for fertilizer companies. Coromandel received ₹1,300 crore in subsidies during Q1, up from ₹987 crore in Q1 FY25, while subsidy outstanding stood at ₹2,911 crore as of June 30, 2025. This stability in subsidy flow allows Coromandel to plan capex, working capital, and growth initiatives with greater confidence, reducing the financial stress typically associated with delayed subsidy receivables.

3. Demand mix shifting toward balanced nutrition (NPK)
A major structural shift is underway in Indian farming practices, with farmers increasingly moving away from a heavy reliance on DAP to a more balanced nutrition model using NPK complexes. Industry data for Q1 FY26 shows NPK sales rising 34% YoY, while DAP volumes declined 19%. This shift directly benefits Coromandel, which is India's second-largest phosphatic player and a leader in unique-grade NPK formulations. The company delivered record primary sales of 11 lakh tones in Q1, a 31% YoY increase, and raised its NPK market share to ~18%. Importantly, its portfolio of unique and differentiated grades now contributes 34% of volumes, up from 31% last year, driving both higher margins and stickiness with farmers. This demand trend is structural in nature, supported by government campaigns for balanced nutrition and farmer recognition of the yield benefits of multi-nutrient application.

4. Tight global phosphatic supply & firmer raw-material contracts
The global fertilizer market remains tight, particularly for phosphatic raw materials. China, a major supplier of DAP and phosphoric acid, continues to restrict exports to ensure domestic availability, while Russia's supplies remain constrained due to geopolitical issues. This has kept international prices elevated, with phosphoric acid contract prices rising from $1,153/ton in Q1 to $1,258/ton in Q2. For companies without backward integration, this creates cost volatility and margin pressure. Coromandel, however, has strategically de-risked this through a multi-pronged integration strategy: raising its stake in BMCC Senegal to 71.5%, securing rock phosphate for ~25% of captive needs; investing in the Kakinada phosphoric + sulphuric acid complex, now ~70% complete and due by Q4 FY26; and maintaining long-term supply tie-ups with Ma'aden in Saudi Arabia for DAP and contracted ammonia. These initiatives ensure cost competitiveness and reliable supply, giving Coromandel a structural edge over less integrated players.

5. Tech & sustainability adoption in Indian agriculture
The push for more sustainable and efficient farming practices is creating new demand segments beyond traditional fertilizers. Coromandel has been quick to capitalize on this trend, growing its specialty nutrients business by 12% and organic fertilizers by 29% in Q1. Its bio-products portfolio, led by azadirachtin-based solutions, saw exports double to the US and Europe, where regulatory restrictions are driving a shift to natural inputs. Another transformative lever is precision agriculture: through its Gromor Drive drone services, Coromandel covered 25,000 acres in Q1 and targets 0.5 million acres for FY26. Drone spraying can reduce water use by up to 90% and improve input efficiency, offering clear farmer benefits. These sustainability-driven and technology-enabled solutions not only enhance margins but also strengthen Coromandel's positioning as a holistic agri-solutions provider rather than just a fertilizer manufacturer.

6. Under-penetrated growth corridors beyond core South markets
Historically, Coromandel has been dominant in Andhra Pradesh and Telangana, India's largest complex fertilizer markets. However, the company is now making strategic inroads into Central and Northern India, where the penetration of complex fertilizers remains much lower but the demand potential is high. In Q1 alone, Coromandel added 73 new retail outlets, taking its network to over 900 stores, and continued to expand digital offerings through MyGromor and door-delivery pilots.

Financial Analysis

Capital Expenditure and Growth Investments

In FY2024–25, Coromandel International significantly ramped up its investment cycle, incurring a capital expenditure of ₹830 crore. This represented a 61% increase over the previous year's ₹515 crore and marked one of the most aggressive annual expansions in its recent history. The increase was driven by backward integration projects and capacity expansion at its Kakinada facility, an asset that plays a central role in the company's fertilizer production.

Backward integration has always been a cornerstone of Coromandel's strategy. With fertilizer manufacturing being dependent on volatile global commodities such as Sulphur, phosphoric acid, ammonia, and rock phosphate, securing these inputs in-house or through long-term linkages ensures resilience. The company has been steadily investing in sulphuric acid and phosphoric acid plants to reduce import reliance, while its Senegal-based subsidiary BMCC provides access to rock phosphate. By raising its stake in BMCC to over 70%, Coromandel has strengthened feedstock security for its new and existing facilities.

Earnings and Profitability

Coromandel reported an EBITDA of ₹2,656 crore in FY2024–25, marking an 11% year-on-year increase from ₹2,401 crore in FY2023–24. The growth was driven by higher sales volumes, better product mix, smart sourcing strategies, and operational benefits from the Vizag sulphuric acid plant, which was commissioned recently and operated above design capacity.

The EBITDA performance illustrates the effectiveness of Coromandel's operational levers. While global fertilizer prices softened during the year, which could have pressured margins, the company offset these headwinds through procurement efficiencies and improved sales of differentiated products. The nutrient business benefited from an increasing share of unique grades and SSP variants, while crop protection saw improved domestic and export demand.

Profit After Tax (PAT) for the year rose to ₹1,941 crore, up 13% YoY compared to ₹1,719 crore in FY2023–24. The PAT growth outpaced EBITDA growth, highlighting stronger conversion of operating profit into net earnings. This was supported by lower interest costs due to a debt-light balance sheet, timely settlement of subsidy claims by the government, and a more profitable mix in crop protection and specialty products.

Return on Equity (ROE) and Shareholder Returns

Return on Equity (ROE) for FY2024–25 stood at 19%, compared to 20% in FY2023–24 and 29% in FY2022–23. While this indicates a moderation in returns, the decline is largely attributable to a larger equity base following retained earnings and the ongoing capex cycle. Importantly, Coromandel continues to deliver returns well above its cost of capital, sustaining shareholder value creation even during heavy investment phases.

Earnings per Share (EPS) increased by 14% year-on-year, rising to ₹66 from ₹58 in the previous year. This demonstrates consistent earnings growth despite higher depreciation and interest coverage moderating. Dividend distribution for FY25 stood at ₹353 crore, reflecting the company's continued commitment to rewarding shareholders even as it funds one of its largest expansion cycles.

The balance between reinvestment in growth and shareholder distribution illustrates Coromandel's disciplined capital allocation framework. While investing aggressively in integration and capacity, it has ensured a stable ROE profile and robust payout ratios.

Working Capital Management

As of 31 March 2025, Coromandel's working capital stood at ₹6,381 crore, marginally up from ₹6,355 crore in FY2023–24. Though the absolute figure is higher, the company achieved meaningful improvements in its working capital cycle.

The improvement was driven by faster liquidation of finished goods, aided by stronger farmer demand, particularly in the nutrient segment where early monsoons improved sowing patterns. Additionally, more efficient payable management with suppliers and tighter credit discipline supported the working capital cycle.

Interest Coverage and Financial Position

Coromandel's interest coverage ratio in FY2024–25 stood at 11x, compared to 13x in FY2023–24 and 15x in FY2022–23. While the ratio has moderated over the past three years, it remains at a comfortable level, underscoring the company's strong earnings visibility and low leverage.

The decline is primarily explained by rising depreciation charges due to higher capex commissioning and incremental financing costs associated with the investment cycle. However, with net debt-to-equity at effectively 0.0x, Coromandel remains one of the most conservatively capitalized companies in the sector.

Coromandel's financial discipline ensures that even in periods of heavy investment, its ability to meet obligations remains intact.

Peer Comparison

Name	CMP (₹)	Market Cap (₹ Cr)	P/E (TTM)	Sales Growth (1Y)	ROE (%)
Coromandel Intl	2298.20	67,778	34.12	10.86%	16.89
FACT	1002.40	64,863	800.34	3.90%	1.63
Chambal Fert.	555.70	22,264	12.73	14.32%	19.78
Paradeep Phosph.	198.20	16,180	20.09	10.36%	14.14
RCF	157.70	8,700	30.69	4.50%	5.12

Coromandel International stands out as a highly valued player in the fertilizer sector with a P/E ratio of 34.12, significantly ahead of its peers like FACT (P/E of 800.34) and RCF (P/E of 30.69). Despite the relatively higher P/E, Coromandel's robust growth is evident from its 10.86% sales growth over the past year, outperforming peers like FACT (3.90%) and RCF (4.50%). This is supported by strong return ratios, with an ROE of 16.89%, showing its efficient capital utilization compared to Chambal Fertilizers' 19.78% and Paradeep Phosphates' 14.14%. The company's market capitalization of ₹67,778 Cr positions it as a clear leader in its space, with more substantial growth prospects and strategic initiatives to capture the under-penetrated market, particularly in the NPK segment. Coromandel's sales growth trajectory combined with its premium valuation suggests confidence in its future profitability, despite the volatility observed in some of its peers.

Investment Rationale

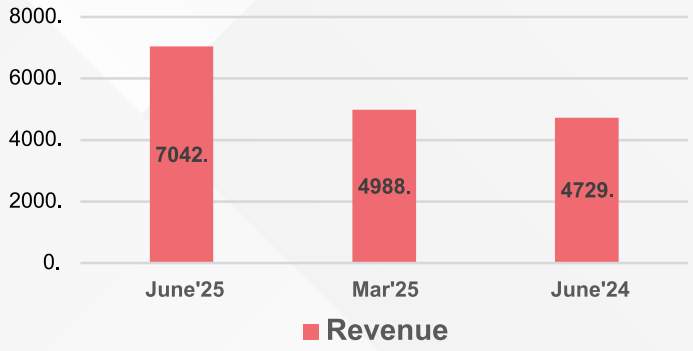
1. Leadership in Complex Fertilizers and Market Share Expansion
Coromandel is a market leader in the complex fertilizer segment, holding an 18% market share in NPK, and India's largest SSP seller. With increasing demand for balanced nutrition, the company's unique and differentiated NPK grades (34% of sales) represent a high-margin product offering that aligns with the growing trend of soil health and nutrient balance. This positions Coromandel for sustained growth in the fertilizer space.

2. Strong Backward Integration to Secure Raw Material Supply
Coromandel's strategy of backward integration—especially in phosphoric acid and sulphuric acid manufacturing—provides it with a competitive edge in a market prone to global supply constraints. The Kakinada phosphoric acid–sulphuric acid complex, expected to be commissioned in FY26, will reduce the company's dependence on imported raw materials, enhancing both cost efficiency and supply security. This integration supports margins and reduces exposure to volatile global commodity prices.

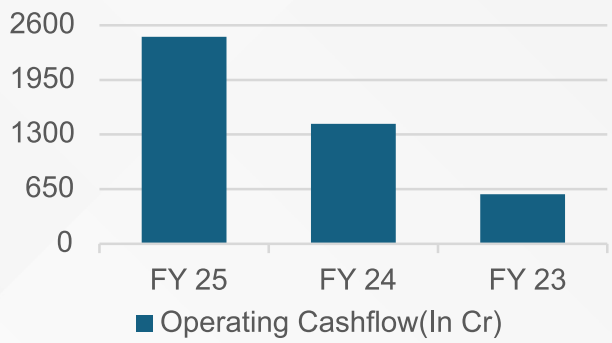
3. Expansion into High-Growth Markets and Retail Network
Coromandel's retail footprint continues to grow, with 73 new stores opened in Q1 FY26 and plans to add 400 stores by FY26. The company's retail network, comprising over 900 stores, not only strengthens brand presence but also provides direct access to farmers, allowing for cross-selling of premium products such as specialty nutrients and bio-products. The door delivery model and MyGromor e-commerce platform further enhance the company's customer engagement and position it well for future growth in underpenetrated regions outside South India.

4. Focus on Sustainable Agriculture and Innovation
Coromandel is leading the charge on sustainability in Indian agriculture. The company's commitment to innovative products like Nano DAP and Nano Urea aligns with the growing focus on resource efficiency and eco-friendly farming practices. Additionally, its focus on bio-products and specialty nutrients has helped it tap into a high-growth, premium segment, reflected by 12% growth in specialty nutrients and 29% growth in organic fertilizers in Q1 FY26. These product innovations, coupled with its drone spraying technology for precision farming, ensure Coromandel is well-positioned for future demand in sustainable agriculture, providing a unique opportunity for long-term growth.

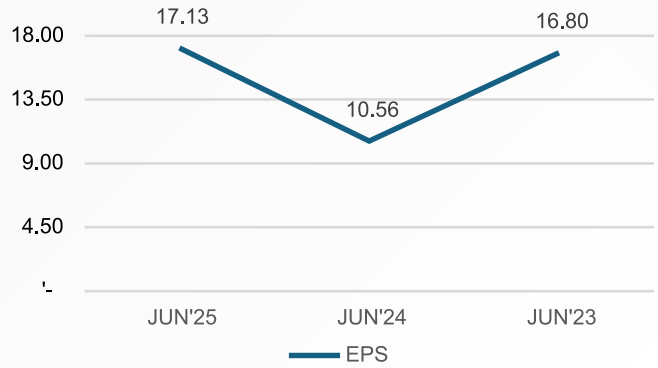
Revenue (In Cr)



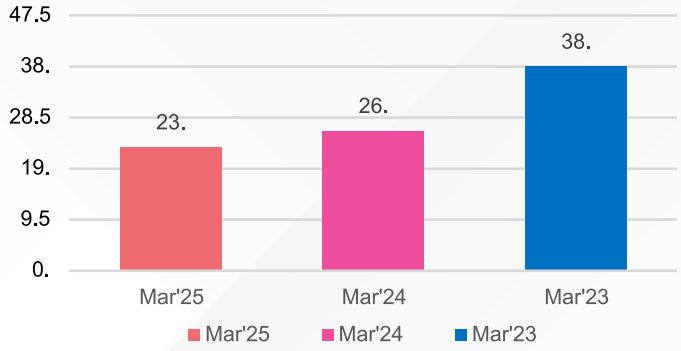
Operating Cashflow



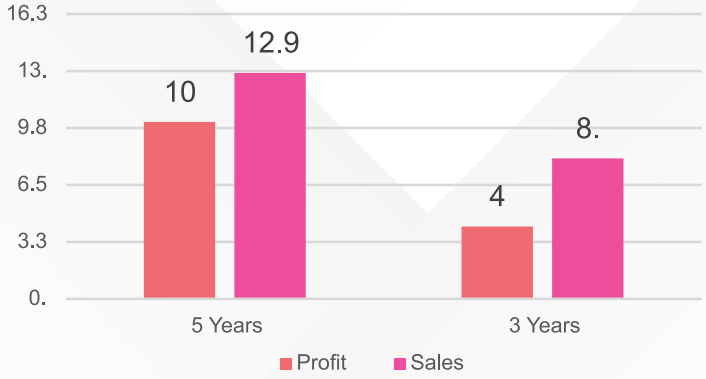
EPS



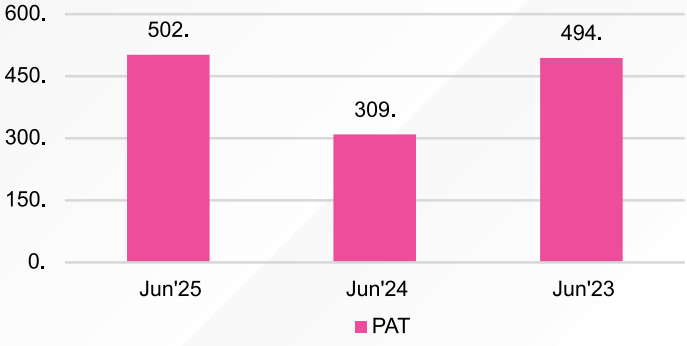
ROCE (In %)



CAGR (In %)



PAT(In Cr)



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