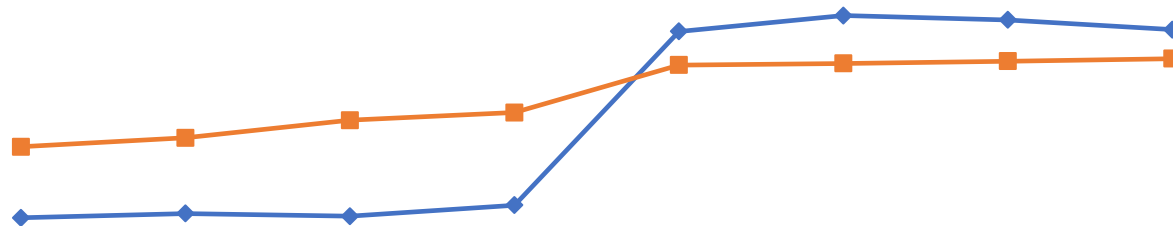


Raw Material Price Benchmarking- Urea (INR/Kg) & Deionized water (INR/Litre), FY2018 – FY2025F



	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024F	FY 2025F
◆ Urea FOB	19.5	20.1	19.7	21.4	47.9	50.4	49.7	48.2
■ Deionized water	30.3	31.7	34.4	35.5	42.8	43.1	43.4	43.8

- India's fertilizer industry depends on imports, including raw materials and finished fertilizers sourced from various international sources.
- Urea is currently sourced from Oman, countries in the Arabian Gulf, Southeast Asian nations like Indonesia, Vietnam, Malaysia, Singapore, and Russian ports in the Baltic Sea due to trade disruptions caused by the Ukraine-Russian conflict and restrictions on urea imports imposed by China since October 2021. As a result of this conflict, the cost of urea is soaring.
- The commissioning of new plants in India is expected to bring down import dependency to less than half of current levels by FY 2025 although the produced urea will be used primarily for the agriculture purpose.
- The growing pharmaceutical and medical industries are primary driving force in deionized water, as high-purity water is essential in performing lab tests and many production processes.
- The price of deionized water fluctuates concerning the demand in various industries like printing and publishing, mechanical and plating, power generation, etc.
- The ongoing conflict between Russia and Ukraine and the impact of Covid-19 are expected to reduce its effect Post FY 2023. It will help to stabilize the price in FY 2024 and FY 2024 onwards