

Results for the Quarter ended 30th June, 2023

Gandhinagar, 7th August, 2023: A meeting of the Board of Directors was held today to consider and approve the Unaudited Financial Results for Q-1 FY 2023-24.

₹ Crores

	FY 23-24	FY 22-23		FY 22-23
	Q-1	Q-4	Q-1	
Operating Revenue	1,652	2,271	2,696	10,227
Total Revenue	1,740	2,394	2,772	10,588
Operating EBITDA @	105	369	763	1,879
EBITDA %	6%	16%	28%	18%
PBT	116	417	761	1,932
PAT	85	334	569	1,464

@ Excludes Other income. Other income = Total Revenue Less Operating Revenue

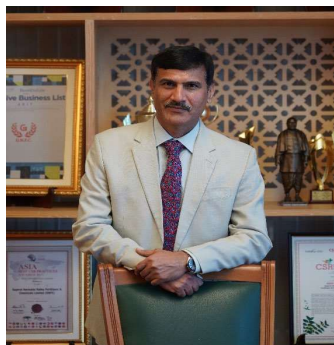
Mr. Pankaj Joshi, IAS, Managing Director, GNFC stated:

The Q-1 FY 23-24 witnessed planned annual turn around due to which, both, volume as well as financial performance is not comparable.

The annual turn around, apart from volumes, normally also witnesses higher maintenance costs and unproductive costs which has affected net margins.

Apart from shutdown related impacts, the output prices have softened disproportionately than input prices which have weighed on financial results.

Chemical industry, in general, has been witnessing this phenomenon, both, domestically in India as well as globally.



Many companies in the industry have announced significant operating revenue as well as margin drop even when full blown annual turn around is not taken in current reporting quarter citing keys reasons like lower realisations, higher input costs, low demand etc. GNFC faced less of a demand issue in view of limited volumes available due to shutdown

I am happy to inform that, on chemical side, during July-2023, company has commenced operation of its brownfield CNA-IV with annual production capacity of 50,000 MT. This should augur well for company.

On fertilizer side, company has launched Nano Urea under Narmada brand during June-2023.

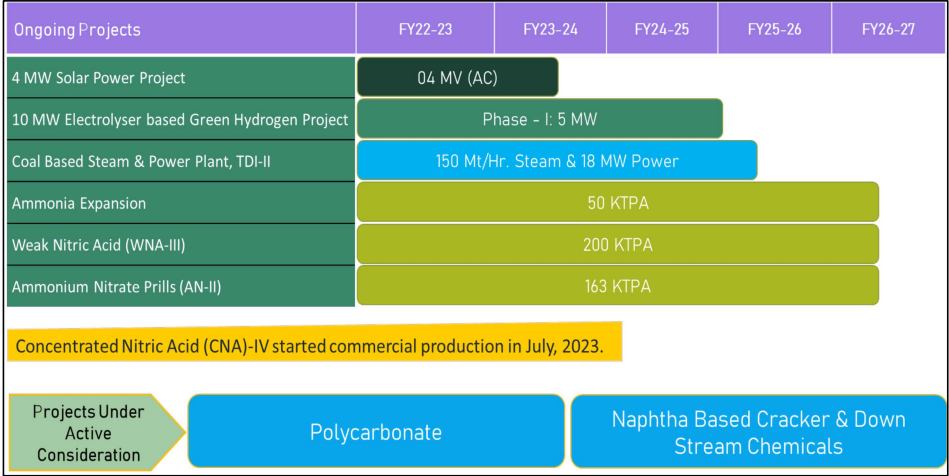
Segment Performance:

₹ Crores

	FY 23-24	FY 22-23		FY 22-23
	Q-1	Q-4	Q-1	
Fertilizers	520	692	873	3,655
Chemicals	1,092	1,559	1,797	6,484
Others	40	20	26	88
Segment Revenue	1,652	2,271	2,696	10,227
Fertilizers	(69)	(138)	(17)	(161)
Chemicals	117	467	720	1,849
Others	16	13	9	28
Segment Results	64	342	712	1,716
Un-allocable	52	75	49	216
PBT	116	417	761	1,932

- ✚ Fertilizer segment witnessed losses mainly due to complex fertilizer nutrient based subsidy rate change by about 28% on downward side apart from absorbing impacts due to lower volume throughput.
- ✚ The performance is lower in Chemical Segment mainly due to lower sales realization and lower volume. TDI-II volume performance has been consistent during the quarter although realisations moderated during the quarter.

Status of Capital Expenditure:



Outlook:

With annual shutdown over at Bharuch complex coupled with stable Dahej operations, the company hopes to improve margin profile.

With Concentrated Nitric Acid-IV addition, it is expected to add up margin improvement.

About GNFC:

GNFC is a joint sector enterprise promoted by the Government of Gujarat and the Gujarat State Fertilizers & Chemicals Ltd.(GSFC). It was set up at Bharuch, Gujarat in 1976.

GNFC started its manufacturing and marketing operations up in 1982 with one of the world's largest single-stream ammonia-urea fertilizer complex and gradually expanded in chemicals.

Today, chemicals form significant segment of revenue and key contributor of segment results.

Disclaimer: Except for the historical information contained herein, statements herein and the subsequent discussions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, our ability to obtain regulatory approvals, technological changes, fluctuation in earnings, foreign exchange rates, our ability to manage international operations and exports, our exposure to market risks as well as other risks.