



**Gujarat Narmada Valley  
Fertilizers & Chemicals Limited**

CIN : L24110GJ1976PLC002903

An ISO 9001, ISO 14001, ISO 45001 & ISO 50001 Certified Company

P.O. Narmadanagar - 392 015, Dist. Bharuch, Gujarat, India  
Ph (02642) 247001, 247002 Websites [www.gnfc.in](http://www.gnfc.in)

NO. SEC/BD/SE/  
October 30, 2021

FAX : 02642 – 247084  
E-Mail: [acshah@gnfc.in](mailto:acshah@gnfc.in)

Dy General Manager  
BSE Ltd.  
Corporate Relationship Dept  
1st Floor, New Trading Ring,  
Rotunda Bldg  
PJ Towers, Dalal Street, Fort  
Mumbai-400 001

The Manager  
Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza,  
C-1, Block - "G",  
Bandra-Kurla Complex, Bandra (E)  
Mumbai – 400 051

Co. Code: BSE - "500670"

Co. Code: NSE- "GNFC EQ"

**Sub.:** Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that Senior Management of the Company is scheduled to meet the Investors / Analysts on Tuesday, 2<sup>nd</sup> November, 2021 at 3.30 pm IST through Conference Call. An Invite for the said Conference Call is enclosed.

The Invite is subject to changes due to any exigency on behalf of the Investors or the Company.

The Invite is also being uploaded on the Company's Website i.e. [www.gnfc.in](http://www.gnfc.in)

We are attaching the Analyst and Shareholders Communication October-2021 Presentation on the Financials of the Company for the Q-2 and H-1 of 2021-2022.

We request you to kindly take note of the above.

Thanking you,

Yours faithfully,  
For GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD

CS A C SHAH  
COMPANY SECRETARY & GM (LEGAL)



**Gujarat Narmada Valley Fertilizers &  
Chemicals Limited**

is

pleased to invite you for conference call to discuss

**The Q2FY22 Financial Performance**

**With**

**Mr. D. V. Parikh, General Manager & Chief Financial Officer**

**Mr. Y. N. Patel, Head of Dept. (O&M)**

**Mr. A. C. Shah, General Manager & Company Secretary**

**and other senior members from the Management**

On

**Tuesday, 2<sup>nd</sup> November 2021 at 03:30 pm IST**

**Dial-In Numbers:**

**Primary Access: +91 22 6608 5333 / +91 22 4194 2333**

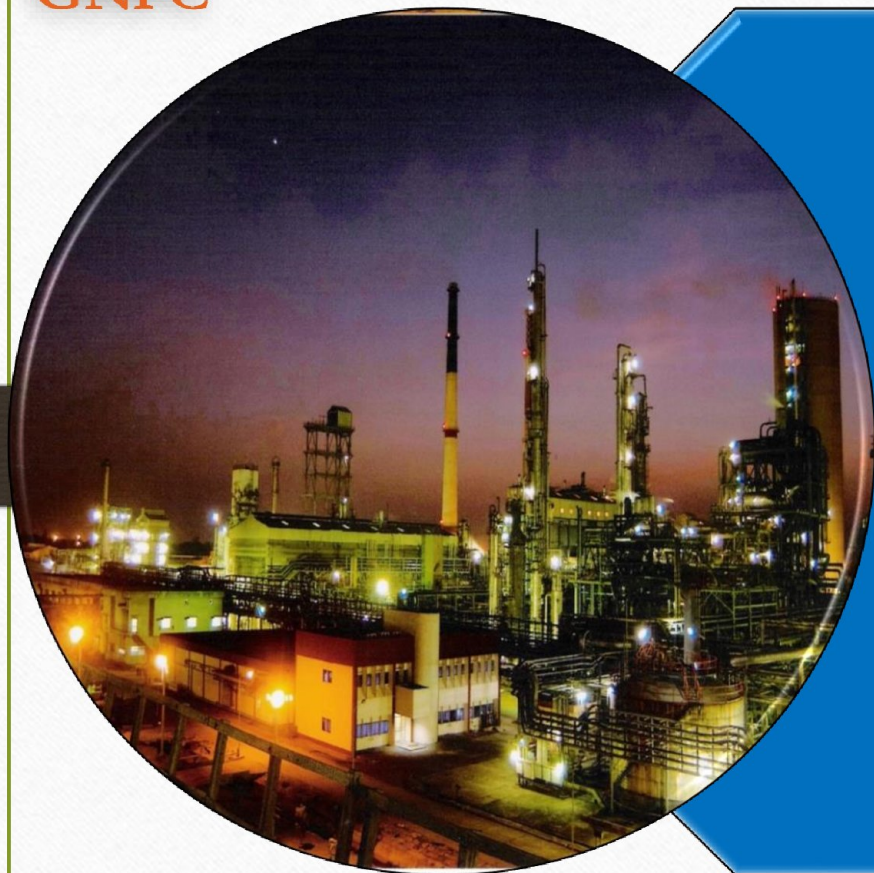
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**R.S.V.P. :**

**Mr. A. C. Shah**

**General Manager & Company Secretary**

**E-mail : [acshah@gnfc.in](mailto:acshah@gnfc.in)**



# Gujarat Narmada Valley Fertilizers & Chemicals Ltd

Analyst and Shareholders Communication  
October - 2021



## Cautionary Note - Forward Looking Statement

- Only matters in the public domain can be subject matter of discussion in this meeting.
- As a matter of policy, we do not provide any forecast about the future business situation.
- We do not comment or give guidance on future results or business outlook.



- » Gujarat Narmada Valley Fertilizers & Chemicals Limited (GNFC) established in 1976, is a Government of Gujarat promoted and controlled company.
- » Listed on BSE & NSE.
- » Headquarter- Bharuch, Gujarat.

- » **Business Segments – Chemicals & Fertilizers**

- » **Segment Revenue - 70% from Chemicals and around 30% from Fertilizers**

Import  
Substitute  
Products  
(Atmanirbhar  
Bharat)

Almost entire sale of about \$ 700 Mn. contributes to forex saving since almost all products are import substitutes.

Financial  
Prudence




Products with good market potential and attractive return.


Environmental  
, Social and  
Governance  
(ESG)

Manufacturing of Energy efficient Products with Environment Friendly Technologies.



## Technology Partners



**BASF Germany**   
**Ammonium Nitro phosphate**



**B P Chemicals UK**   
**Acetic Acid**



**Chematur A B Sweden**   
**TDI, Aniline**



**GE Energy USA**   
**CPSU**




**Haldor Topsoe Denmark**   
**Ammonia**




**Kemira OY Finland**  
**Formic Acid** 



**Linde AG Germany**  
**Ammonia / Methanol** 



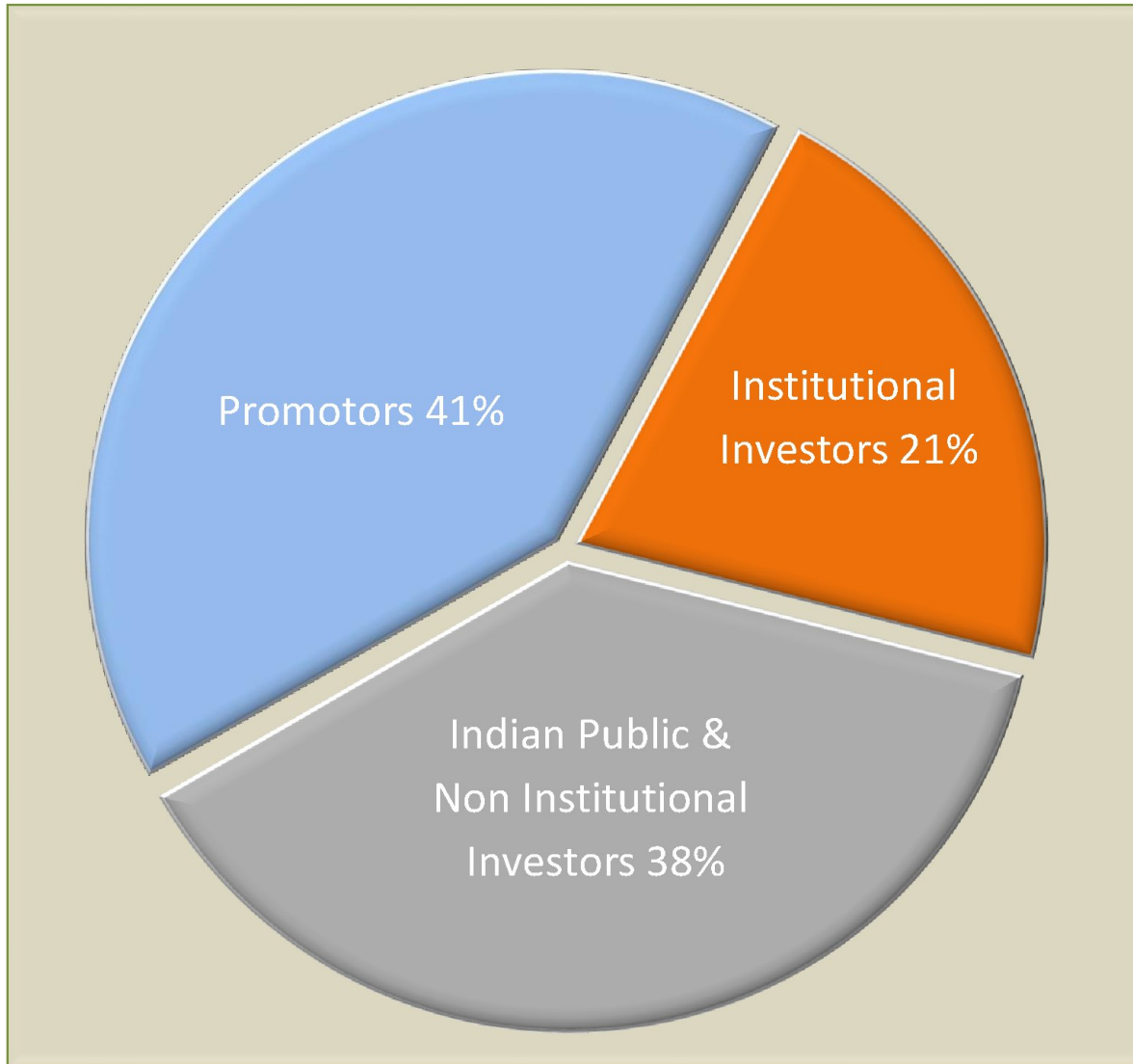
**Plinke Germany**  
**Concentrated Nitric Acid** 



**Saipem Italy**  
**Urea** 



**Uhde Germany (Now ThyssenKrupp)**  
**Weak Nitric Acid** 



	Particulars	30-09-21	31-03-21	30-09-20
A	Promoters	41%	41%	41%
B	Institutional Investors	21%	23%	21%
C	Indian Public & Non Institutional Investors	38%	36%	38%

- ✓ Share value of 15.54 Crores Shares @ ₹ 10 per share equals to ₹ 155.42 Crores.
- ✓ Institutional Investors includes Banks, Mutual Fund etc.



# Overview of Financials

(₹ Crores)

Particulars	Q2 21-22	Q1 21-22	Q2 20-21	H1 21-22	H1 20-21	FY 20-21
Revenue from Operation (RFO)	2,096	1,394	1,187	3,490	1,887	5,129
Other Income	58	43	39	101	143	237
Total Income	2,154	1,437	1,227	3,591	2,031	5,366
Total Expenses	(1,665)	(1,001)	(993)	(2,665)	(1,717)	(4,125)
EBITDA*	431	393	195	825	171	1,003
EBITDA % to RFO	21%	28%	16%	24%	9%	20%
Finance Cost	(1)	(1)	(6)	(2)	(18)	(20)
Depreciation	(71)	(70)	(68)	(141)	(134)	(272)
PBT	417	366	159	782	161	948
Tax (expense) / benefit	(135)	(126)	(21)	(260)	(21)	(259)
PAT	282	240	139	522	140	689
PAT % to RFO	13%	17%	12%	15%	7%	13%
EPS (₹ Per Share)	18.16	15.43	8.92	33.60	9.02	44.35

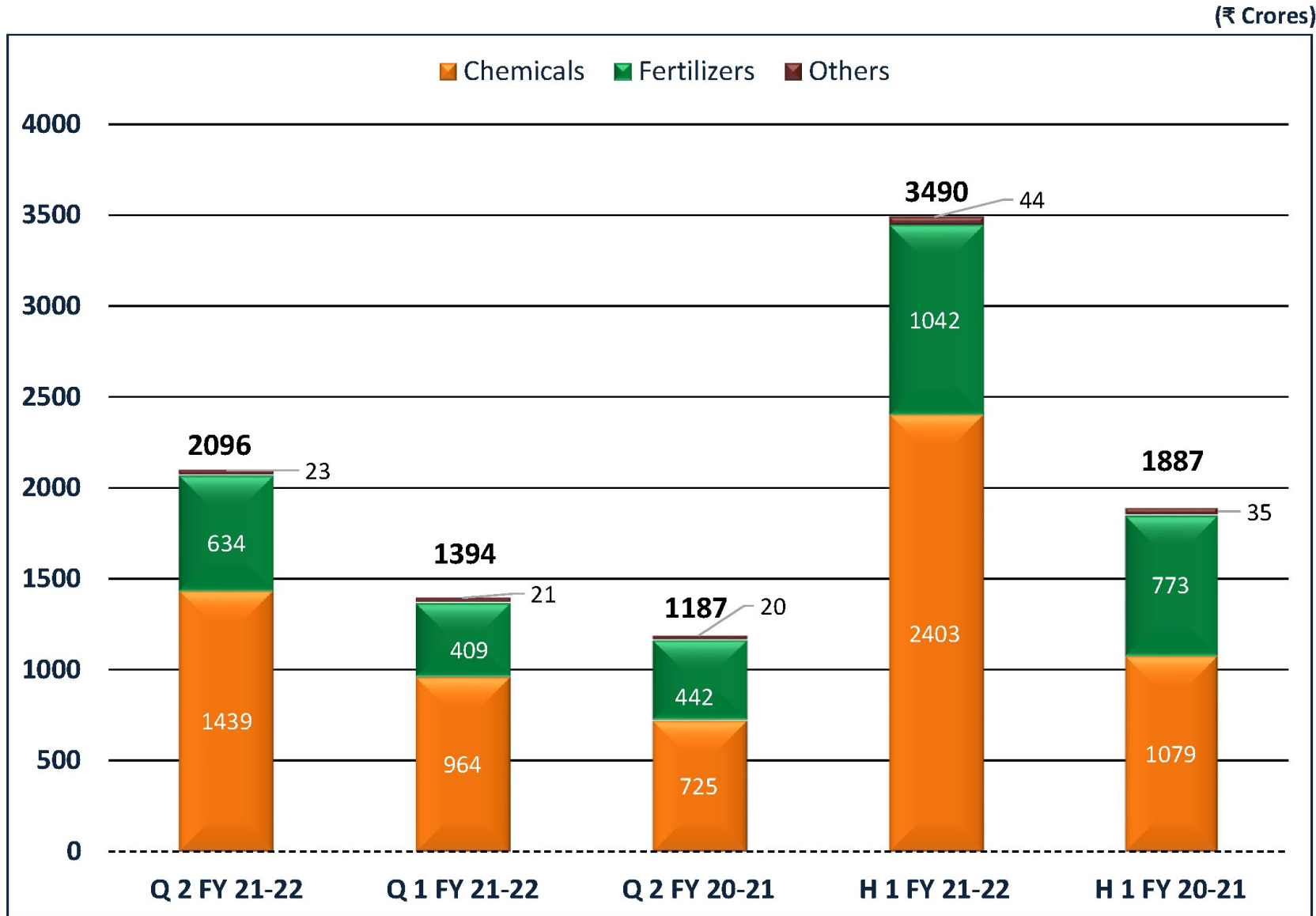
\*EBITDA excludes Other Income

**Performance:** The operational revenue rose to ₹2,096 Crores from ₹ 1,187 Crores, up by 77%. This is the highest ever Q-2 revenue. Predominantly the revenue increase is attributable to shining chemical segment which is at its historical highest in its 46 years history.

The company registered the highest ever PBT of ₹ 417 Crores during current Q 2 FY 21-22 as compared to ₹ 159 Crores, an increase of 161 % on Y-O-Y basis.

**Income tax:** This year, considering various developments, company is likely to opt for new tax rate @22% plus i.e. effectively 25.168%.

**One timers:** No significant one timers exist during the quarter and it practically reflects operating profits.



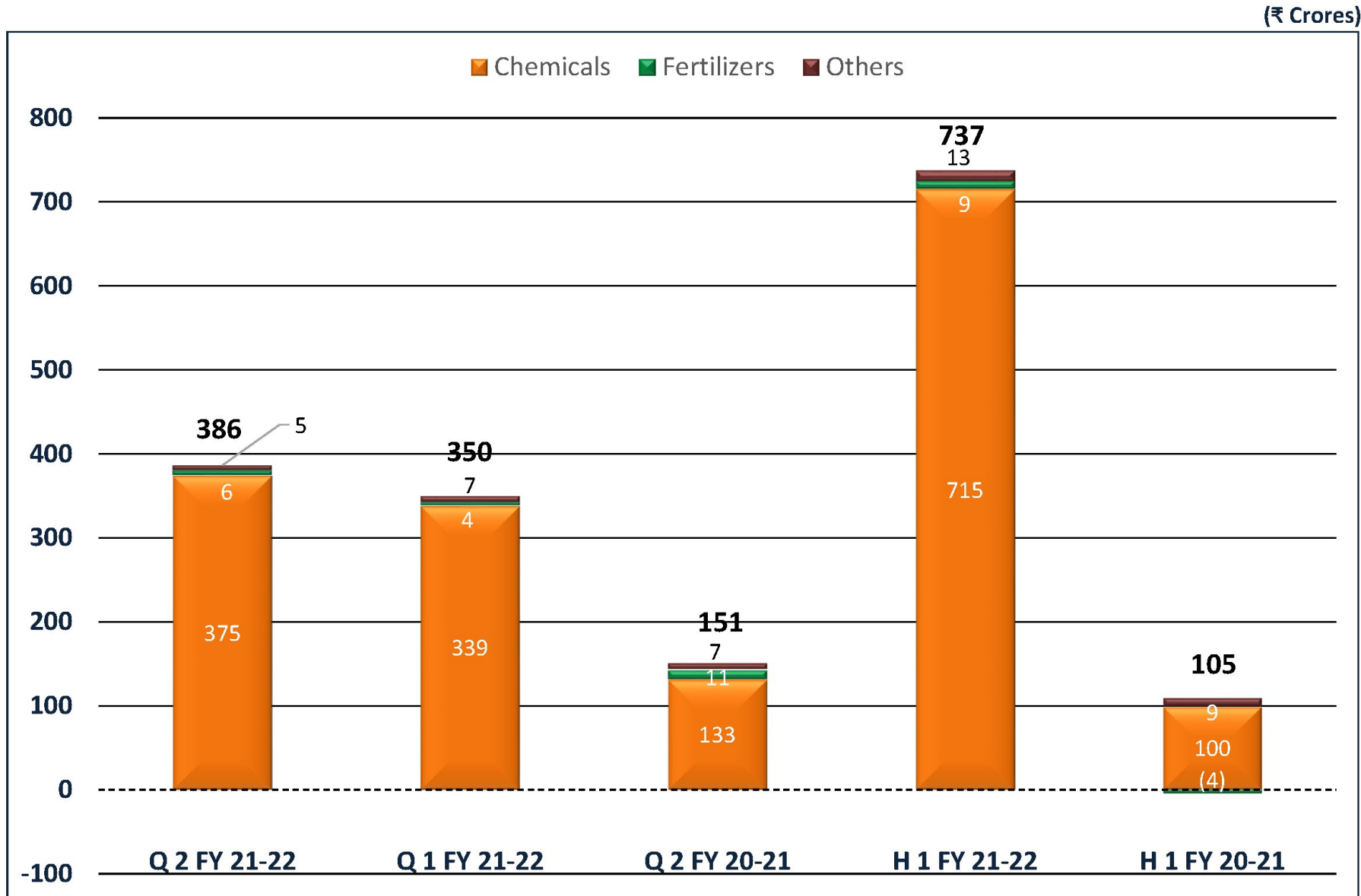
## Q 2 FY 21-22 Vs. Q 1 FY 21-22 :

Volume variance favorable as well as increase volume in all the Products except couple of products.

## Q2 & H1 FY 21-22 Vs. Q2 & H1 FY 20-21 :

Chemical Segment revenue increased due to higher realization in all the products and due to higher volume in all the products except CNA and Methanol.

Fertilizer Segment revenue increased due to higher Nutrient Based Subsidy in mix fertilizer and higher price of Natural Gas and resultant subsidy in case of urea.



**Chemicals:** Practically on YoY basis most of the chemicals have outshine contributing to substantial change in revenue and resultant profit.

**Fertilizers:** Fertilizer Segment Results continue to be positive mainly due to increase in NBS rates which partially offset an otherwise sharp increase in cost.

# Balance Sheet Summary

(₹ Crores)

Particulars		As on		Change		Refer Note
		30-09-21	31-03-21	Absolute	%	
Fixed Assets		3,802	3,881	(79)	(2%)	
Investments		1,080	853	227	27%	<b>A</b>
Cash , Bank & Deposits		2,407	1,851	556	30%	<b>B</b>
Other Assets		1,812	1,715	97	6%	<b>C</b>
<b>Total Assets</b>	<b>A</b>	<b>9,101</b>	<b>8,300</b>	<b>801</b>	<b>10%</b>	
Short Term Borrowings		9	2	7	350%	
Deferred Tax Liability		392	391	1	0%	
Government grants (deferred income)		735	765	(30)	(4%)	
Other Liabilities		1,457	1,158	299	26%	<b>D</b>
<b>Total Liabilities</b>	<b>B</b>	<b>2,593</b>	<b>2,316</b>	<b>277</b>	<b>12%</b>	
<b>Total Net Worth</b>	<b>A-B</b>	<b>6,508</b>	<b>5,984</b>	<b>524</b>	<b>9%</b>	

**A.** Increase in Investments due to listed investment gain ₹ 133 Crores, investment in T-Bills of ₹ 98 Crores.

**B.** Result of mainly Internal accruals and dividend to be paid.

**C.** Increase in Other Assets mainly due to Increase in subsidy receivables increase partly compensated by reduction in inventories.

**D.** Represents mainly the direct and in-direct tax liability ₹ 117 Crores and dividend tax liability ₹ 124 Crores.



# Cash Flow Summary

(₹ Crores)

	For the year ended	H1 FY 21-22	H1 FY 20-21	Change	% Change	Remark
A	Operating profit before Working Capital changes	839	204	635	311%	
	Net Change in Working Capital	15	468	(453)	(97%)	A
	Taxes Paid	(162)	(19)	(143)	753%	
B	Net cash from / (used in) Operating Activities	692	653	39	6%	
C	Net cash from / (used in) Investing Activities	(566)	283	(849)	(300%)	B
D	Net cash from / (used in) Financing Activities	(3)	(853)	850	(100%)	C
E	Net Increase / (Decrease) in Cash & Cash Equivalent	123	83			

A. Working capital inflow in H1 FY 20-21 is mainly due to Realization of Subsidy and Realization of inventories.

B. Investing cash utilized in H1 FY 21-22 mainly due to amount invested in deposits for more than 3 months and amount invested in T-Bills. Further there was net cash inflow in H1 FY 20-21 due to proceeds from sale of PF trust investments.

C. Financing activities in H1 FY 20-21 reflect repayment of borrowings availed for funding the takeover of PF Securities as well as repayment of Special Banking Arrangement.

	Particulars	Units	Q2 21-22	Q1 21-22	Q2 20-21	H1 21-22	H1 20-21	FY 20-21
A	<b>Return Ratios</b>							
	RoE	%	4.52	3.90	2.62	8.36	2.65	12.30
	RoCE	%	6.29	5.60	2.74	11.80	6.32	15.16
B	<b>Margin Ratios</b>							
	EBITDA Margin	%	20.56	28.19	16.36	23.61	9.01	19.56
	Net Profit Margin	%	13.47	17.20	11.68	14.96	7.43	13.44
C	<b>Per Share Ratios</b>							
	EPS	₹ / Share	18.16	15.43	8.92	33.60	9.02	44.35
	Book Value	₹ / Share	419	406	345	419	345	385
	P/E Ratio	₹ / Share	-	-	-	-	-	6.77
D	<b>Liquidity Ratios</b>							
	Current Ratio	Times	3.27	3.56	2.93	3.27	2.93	3.57
E	<b>Market Capitalization #</b>	₹ Crores	6,749	5,862	3,233	6,749	3,233	4,666

*Healthy Balance Sheet with debt free status and consistent history of profitability are key strengths of the Company.*

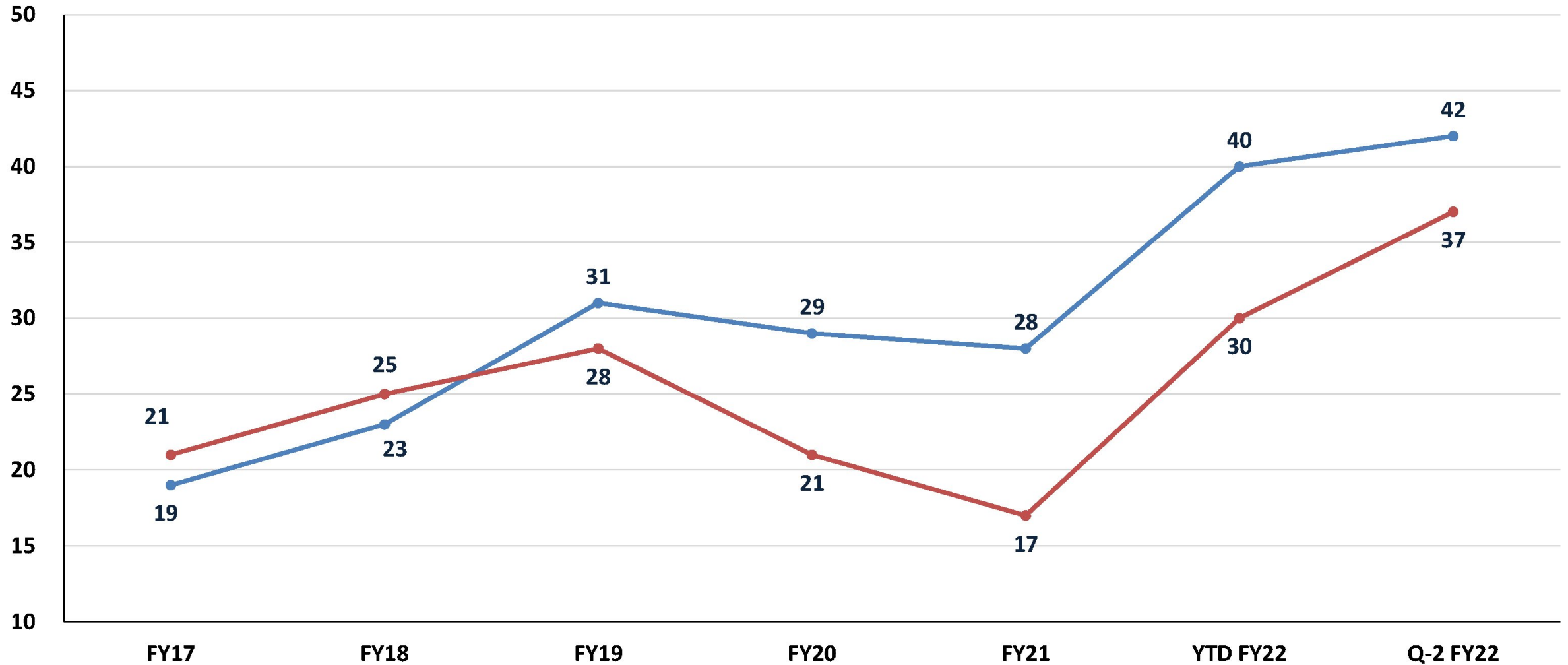
✓ Quarter end Ratios are Not Annualized hence P/E ratio is given only for full year.

# Market capitalization is calculated at NSE closing rates as at respective period end.

# Key Feedstock Price History

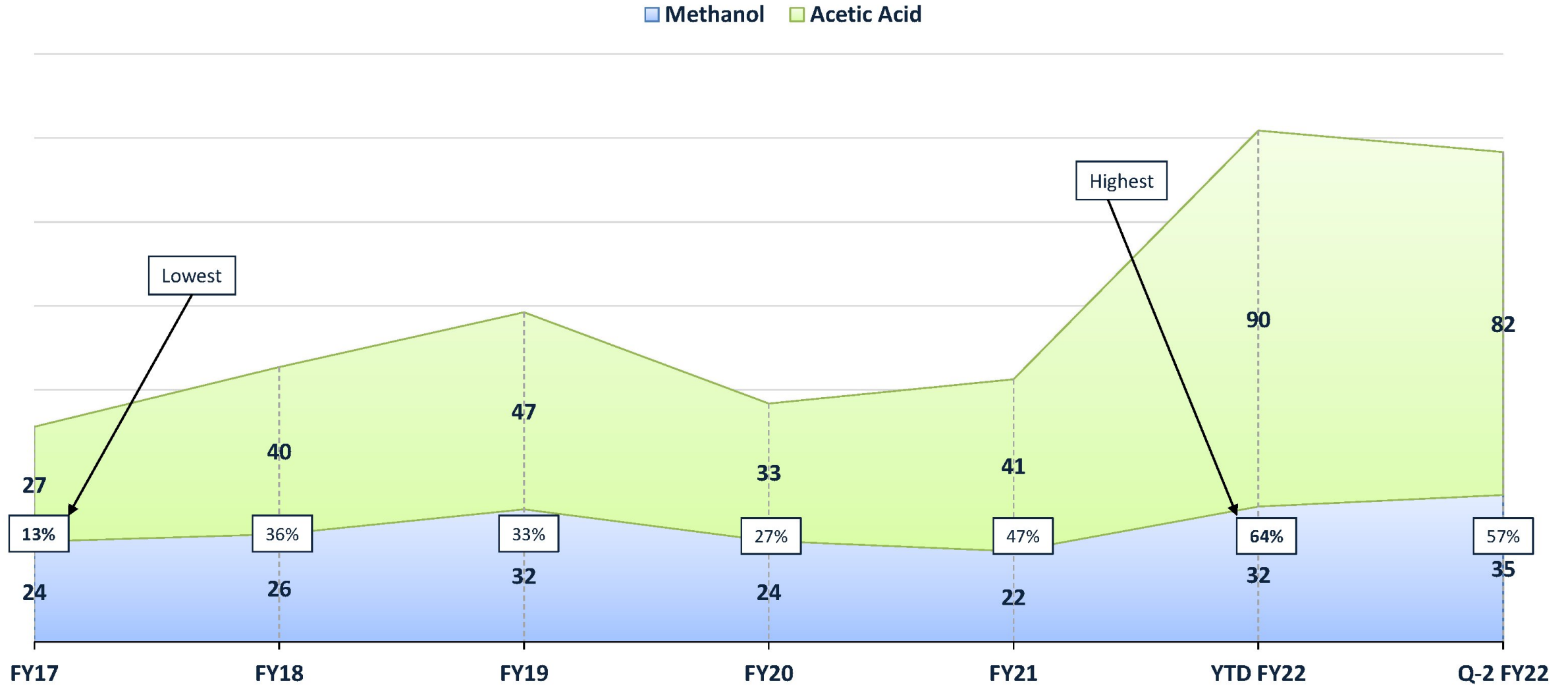
(₹ '000)

Oil (Rs. / MT)    N (Gas) Rs. / '000 SM3



# Feedstock Spreads

Price (₹ '000/MT)

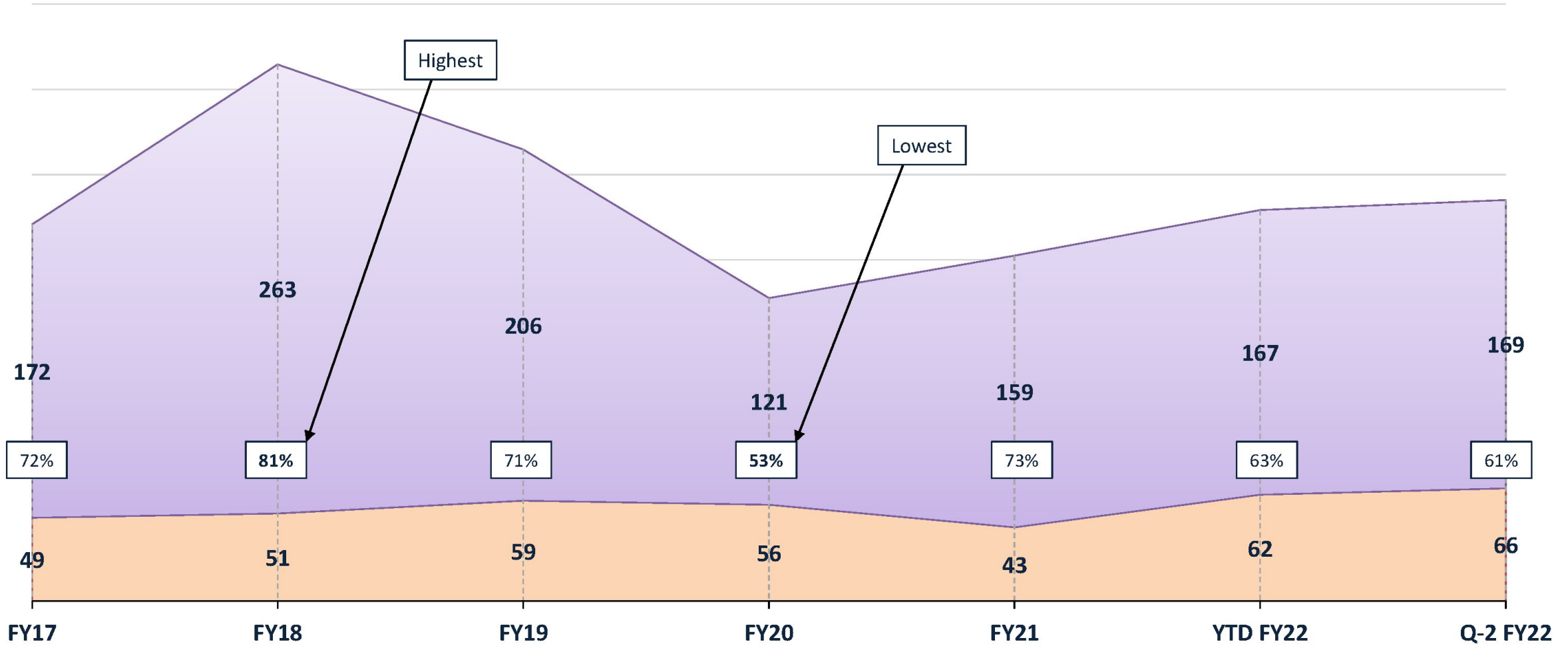




# Feedstock Spreads

Price (₹ '000/MT)

Toluene TDI



## Ongoing Projects Status

Particulars	Concentrated Nitric Acid (CNA)-IV Project	Formic Acid Revamp (FAR) Project	4 MW Solar Power Project	TDI-II plant reliability
Production capacity	50 KTPA	6.6 KTPA	04 MW (AC)	16 KTPA
Capex (₹. In Crores.)	109	83	26	170
Expected Completion	October 2022	January 2022	September 2022	October 2021
Expected incremental revenue p.a. (₹. In Crores.)	120	30	--	400
Advantage	Production, Sales & profitability will improve with value added product.	It will increase market share revenue and profit.	Meet RPO & reduce CO2 emission apart from reducing power cost.	Reliability and throughput at Dahej plant will improve.

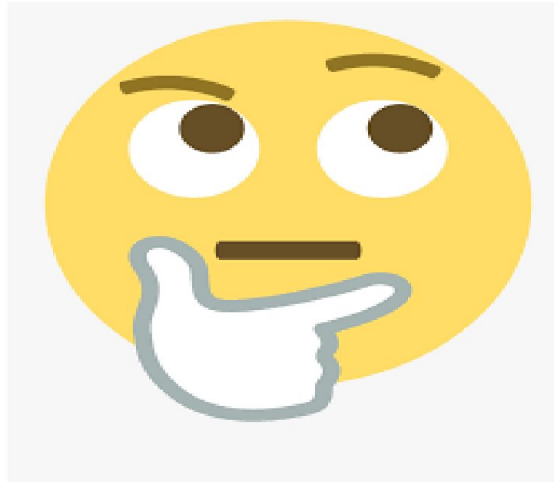
	Particulars	WNA	AN-II	Ammonia
1	Capacity (MTPA)	200000	100000	50000
2	Capex (₹. In Crores.)	890	170	195

### Advantages:

- ✓ Ammonia will provide reliability & apart from energy saving it will act as source of captive availability for downstream products.
- ✓ Other projects like WNA & AN-II will augment GNFC's market share and competitiveness.
- ✓ Above projects will improve the balance sheet of the company by expected increase in Annual turnover by about ₹. 200 Crores[WNA] & ₹. 200 Crores[AN-II], as partial WNA will get consumed in AN-II.

	Particulars
1	TDI Capex of around ₹. 98 Cr. Mechanical completion is over and production expected to start by Nov-21.
2	Aniline Production Improved by 8%.
3	Ammonia Production Improved by 5%.





Questions are welcome



Thank You