



**Gujarat Narmada Valley
Fertilizers & Chemicals Limited**
CIN : L24110GJ1976PLC002903

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

P.O Narmadanagar - 392015, Dist. Bharuch, Gujarat, India
Ph. (02642) 247001, 247002 Website: www.gnfc.in

NO.SEC/BD/SE/UFR/2022-23
August 08, 2022

FAX: 02642 – 247084
E-Mail : acshah@gnfc.in

Dy General Manager
Corporate Relationship Dept
BSE Ltd., 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

Company Code: "500670"

Company Code: "GNFC EQ"

Sub.: Outcome of the Board Meeting: Furnishing of Unaudited Standalone and Consolidated Financial Results for the First Quarter of FY 2022-23 ended on 30th June, 2022.

Dear Sirs,

The Board of Directors of the Company in its Meeting held today i.e. on 08th August, 2022 approved the Unaudited Standalone and Consolidated Financial Results for the First Quarter of FY 2022-23 ended on 30th June, 2022.

In compliance of Regulations 30 & 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended, we send herewith the Unaudited Standalone and Consolidated Financial Results of the Company for the First Quarter of FY 2022-23 ended on 30th June, 2022, along with Limited Review Report on the said Results by the Statutory Auditors of the Company.

These results are also being made available on the Company's Website at www.gnfc.in.

We also enclose herewith a Press Release on Unaudited Standalone and Consolidated Financial Results of the Company for the First Quarter of FY 2022-23 ended on 30th June, 2022.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD

CS A C SHAH
COMPANY SECRETARY & GM (LEGAL)

ENCL : A : A :



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GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED					
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS					
FOR THE QUARTER ENDED ON JUNE 30, 2022					
₹ Crores					
Sr No	Particulars	Quarter Ended			Year Ended
		30-06-2022	31-03-2022	30-06-2021	31-03-2022
		(Unaudited)	(Audited) *	(Unaudited)	(Audited)
I	Revenue from operations	2,696.19	2,771.71	1,394.32	8,642.29
II	Other income (refer note 5)	76.19	60.64	42.93	209.42
III	Total income (I+II)	2,772.38	2,832.35	1,437.25	8,851.71
IV	Expenses				
	(a) Cost of raw materials consumed	1,313.09	1,177.74	616.19	3,899.09
	(b) Purchase of stock-in-trade	25.34	16.55	2.71	38.80
	(c) Purchase of goods and services of IT division	7.63	7.24	5.61	26.47
	(d) Change in inventories of finished goods, work-in-progress and stock-in-trade	(183.03)	59.12	(95.56)	18.83
	(e) Power, fuel and other utilities	469.71	315.57	192.36	1,116.59
	(f) Employee benefits expenses	108.01	109.43	128.28	467.93
	(g) Finance costs	1.66	0.80	0.76	3.46
	(h) Depreciation and amortisation	75.62	74.38	69.72	291.69
	(i) Other expenses	193.38	200.18	151.64	690.80
	Total expenses (IV)	2,011.41	1,961.01	1,071.71	6,553.66
V	Profit before tax (III-IV)	760.97	871.34	365.54	2,298.05
VI	Tax expense / (credit): (refer note 3)				
	a) Current Tax	198.27	246.03	121.27	615.66
	b) Deferred Tax expense / (credit)	(6.25)	(20.09)	4.40	(23.50)
	c) Tax related to earlier years	-	2.14	-	2.14
	Total Tax expense / (credit) (VI)	192.02	228.08	125.67	594.30
VII	Net Profit for the period after tax (V-VI)	568.95	643.26	239.87	1,703.75
VIII	Other Comprehensive Income:				
	Income / (Expense) that will not be reclassified to profit or loss in subsequent periods :				
	(i) Re-measurement gain / (loss) on defined benefit plans (net of tax)	13.60	10.11	0.09	14.79
	(ii) Net gain / (loss) on FVTOCI equity investments (net of tax)	(84.10)	43.48	82.50	320.97
	Total Other Comprehensive Income	(70.50)	53.59	82.59	335.76
IX	Total Comprehensive Income for the period (VII + VIII)	498.45	696.85	322.46	2,039.51
X	Paid up equity share capital (Face Value of ₹ 10/- per Equity Share)	155.42	155.42	155.42	155.42
XI	Other equity excluding revaluation reserves				7,743.42
XII	Earnings Per share (Face value of ₹ 10/- each) (not annualised)				
	For continuing operations				
	(a) Basic (₹)	36.61	41.39	15.43	109.62
	(b) Diluted (₹)	36.61	41.39	15.43	109.62

* Refer note 8

See accompanying notes to the financial results





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GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED					
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS					
FOR THE QUARTER ENDED ON JUNE 30, 2022					
₹ Crores					
Sr No	Particulars	Quarter Ended			Year Ended
		30-06-2022	31-03-2022	30-06-2021	31-03-2022
		(Unaudited)	(Audited) *	(Unaudited)	(Audited)
I	Revenue from operations	2,696.19	2,771.71	1,394.32	8,642.29
II	Other income (refer note 5)	76.19	60.64	42.93	209.42
III	Total income (I+II)	2,772.38	2,832.35	1,437.25	8,851.71
IV	Expenses				
	(a) Cost of raw materials consumed	1,313.09	1,177.74	616.19	3,899.09
	(b) Purchase of stock-in-trade	25.34	16.55	2.71	38.80
	(c) Purchase of goods and services of IT division	7.63	7.24	5.61	26.47
	(d) Change in inventories of finished goods, work-in-progress and stock-in-trade	(183.03)	59.12	(95.56)	18.83
	(e) Power, fuel and other utilities	469.71	315.57	192.36	1,116.59
	(f) Employee benefits expenses	108.01	109.43	128.28	467.93
	(g) Finance costs	1.66	0.80	0.76	3.46
	(h) Depreciation and amortisation	75.62	74.38	69.72	291.69
	(i) Other expenses	193.38	200.18	151.64	690.80
	Total expenses (IV)	2,011.41	1,961.01	1,071.71	6,553.66
V	Profit before tax (III-IV)	760.97	871.34	365.54	2,298.05
VI	Tax expense / (credit): (refer note 3)				
	a) Current Tax	198.27	246.03	121.27	615.66
	b) Deferred Tax expense / (credit)	(6.25)	(20.09)	4.40	(23.50)
	c) Tax related to earlier years	-	2.14	-	2.14
	d) Excess tax provision written back	-	-	-	-
	Total Tax expense / (credit) (VI)	192.02	228.08	125.67	594.30
VII	Net Profit for the period after tax (V-VI)	568.95	643.26	239.87	1,703.75
VIII	Share of (loss) / profit of associates	2.48	(0.08)	1.93	6.66
IX	Net Profit for the period (VII+VIII)	571.43	643.18	241.80	1,710.41
X	Other Comprehensive Income:				
	Income / (Expense) that will not to be reclassified to profit or loss in subsequent periods :				
	(i) Re-measurement gain / (loss) on defined benefit plans (net of tax)	13.60	10.11	0.09	14.79
	(ii) Net gain / (loss) on FVTOCI equity investments (net of tax)	(84.10)	43.48	82.50	320.97
	Total Other Comprehensive Income	(70.50)	53.59	82.59	335.76
XI	Total Comprehensive Income for the period (IX + X)	500.93	696.77	324.39	2,046.17
XII	Paid up equity share capital (Face Value of ₹ 10/- per Equity Share)	155.42	155.42	155.42	155.42
XIII	Other equity excluding revaluation reserves				7,834.61
XIV	Earnings Per share (Face value of ₹ 10/- each) (not annualised)				
	For continuing operations				
	(a) Basic (₹)	36.77	41.38	15.56	110.05
	(b) Diluted (₹)	36.77	41.38	15.56	110.05

* Refer note 8

See accompanying notes to the financial results





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GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED					
SEGMENT-WISE STANDALONE REVENUE, RESULTS, ASSETS AND LIABILITIES					
FOR THE QUARTER ENDED ON JUNE 30, 2022					
₹ Crores					
Sr No	Particulars	Quarter Ended			Year Ended
		30-06-2022	31-03-2022	30-06-2021	31-03-2022
		(Unaudited)	(Audited) *	(Unaudited)	(Audited)
I	Segment Revenue :				
	A. Fertilizers	873.12	714.52	391.18	2,451.72
	B. Chemicals	1,796.61	2,033.85	981.92	6,102.31
	C. Others	26.46	23.34	21.22	88.26
	Total	2,696.19	2,771.71	1,394.32	8,642.29
	Less: Inter Segment Revenue	-	-	-	-
	Sales / Income from Operations	2,696.19	2,771.71	1,394.32	8,642.29
II	Segment Results : { Profit / (Loss) before Tax & Finance Cost from each segment}				
	A. Fertilizers	36.03	(3.43)	6.99	7.43
	B. Chemicals	666.22	833.86	335.92	2,163.70
	C. Others	8.83	7.40	7.36	24.66
	Total	711.08	837.83	350.27	2,195.79
	Less : (i) Finance Cost	1.66	0.80	0.76	3.46
	(ii) Other Unallocable expenditure	5.59	7.10	8.31	25.77
	(iii) Unallocable Income	(57.14)	(41.41)	(24.34)	(131.49)
	Total Profit Before Tax	760.97	871.34	365.54	2,298.05
III	Segment Assets & Segment Liabilities:				
	Segment Assets:				
	A. Fertilizers	2,221.24	2,027.29	1,919.63	2,027.29
	B. Chemicals	2,687.96	2,630.80	2,826.79	2,630.80
	C. Others	272.68	291.50	161.80	291.50
	D. Unallocated assets	5,621.08	5,677.03	3,816.74	5,677.03
	Total Assets	10,802.96	10,626.62	8,724.96	10,626.62
	Segment Liabilities:				
	A. Fertilizers	989.58	1,251.77	1,141.12	1,251.77
	B. Chemicals	485.46	590.74	508.17	590.74
	C. Others	226.74	245.55	112.85	245.55
	D. Unallocated Liabilities	703.89	639.72	656.69	639.72
	Total Liabilities	2,405.67	2,727.78	2,418.83	2,727.78
	* Refer note 8				
	See accompanying notes to the financial results				





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SEGMENT-WISE CONSOLIDATED REVENUE, RESULTS, ASSETS AND LIABILITIES					
FOR THE QUARTER ENDED ON JUNE 30, 2022					
₹ Crores					
Sr No	Particulars	Quarter Ended			Year Ended
		30-06-2022	31-03-2022	30-06-2021	31-03-2022
		(Unaudited)	(Audited) *	(Unaudited)	(Audited)
I	Segment Revenue :				
	A. Fertilizers	873.12	714.52	391.18	2,451.72
	B. Chemicals	1,796.61	2,033.85	981.92	6,102.31
	C. Others	26.46	23.34	21.22	88.26
	Total	2,696.19	2,771.71	1,394.32	8,642.29
	Less: Inter Segment Revenue	-	-	-	-
	Sales / Income from Operations	2,696.19	2,771.71	1,394.32	8,642.29
II	Segment Results :				
	{ Profit / (Loss) before Tax & Finance Cost from each segment}				
	A. Fertilizers	36.03	(3.43)	6.99	7.43
	B. Chemicals	666.22	833.86	335.92	2,163.70
	C. Others	8.83	7.40	7.36	24.66
	Total	711.08	837.83	350.27	2,195.79
	Less : (i) Finance Cost	1.66	0.80	0.76	3.46
	(ii) Other Unallocable Expenditure	5.59	7.10	8.31	25.77
	(iii) Unallocable Income	(57.14)	(41.41)	(24.34)	(131.49)
	Total Profit Before Tax	760.97	871.34	365.54	2,298.05
III	Segment Assets & Segment Liabilities:				
	Segment Assets:				
	A. Fertilizers	2,221.24	2,027.29	1,919.63	2,027.29
	B. Chemicals	2,687.96	2,630.80	2,826.79	2,630.80
	C. Others	272.68	291.50	161.80	291.50
	D. Unallocated assets	5,714.75	5,768.22	3,903.20	5,768.22
	Total Assets	10,896.63	10,717.81	8,811.42	10,717.81
	Segment Liabilities:				
	A. Fertilizers	989.58	1,251.77	1,141.12	1,251.77
	B. Chemicals	485.46	590.74	508.17	590.74
	C. Others	226.74	245.55	112.85	245.55
	D. Unallocated Liabilities	703.89	639.72	656.69	639.72
	Total Liabilities	2,405.67	2,727.78	2,418.83	2,727.78

* Refer note 8

See accompanying notes to the financial results





Notes :

- 1 The above standalone and consolidated financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended), including Companies (Indian Accounting Standards) Amendments Rules, 2021.
- 2 The above standalone and consolidated financial results have been reviewed by the Audit Committee at its meeting held on August 06, 2022 and approved by the Board of Directors at its meeting held on August 08, 2022. The statutory auditors of the Company have carried out a 'limited review' of these results.
- 3 During the previous year, from the quarter ended December 31, 2021, the Company has decided to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 to pay income tax at lower rate ("New tax rate") subject to the giving up of certain incentives and deductions. Accordingly, the provision for current tax for the current quarter ended June 30, 2022, previous quarter and year ended on March 31, 2022 is measured at the New tax rate. Provision for current tax for the quarter ended June 30, 2021 was measured as per the old tax regime.

Further, in the financial year 2019-2020, deferred tax balances were re-measured using the tax rate expected to be prevalent in the period in which the deferred tax balances are expected to reverse. Therefore, there is no material impact on the current quarter ended June 30, 2022, previous quarter and year ended on March 31, 2022.

- 4 During the year ended March 31, 2020, the Company had received Demand Notice of ₹ 16,359.21 Crores from the Department of Telecommunications (DoT), Ministry of Communications, Government of India, Gujarat Telecom Circle, Ahmedabad, vide its letters dated February 17, 2020 and March 05, 2020, towards the license fee (including of interest and penalty computed till March 31, 2020) in respect of "Very Small Aperture Terminal" (V-SAT) License and "Category A - Internet Service Provider" (ISP) License for the financial years from FY 2005-06 to FY 2018-19. Earlier, the Company had also received an initial Demand Notice from DOT dated December 23, 2019 for amounting to ₹15,019.97 crores (including interest and penalty). The Company has made representations to the DoT against the said demand notices.

The Company has evaluated the assessment made by DoT for raising the above demand notices based on the Adjusted Gross Revenue (AGR) judgement of Hon'ble Supreme Court of India on October 24, 2019. Aggrieved by the above demands, the Company had submitted various representations dated January 06, 2020, February 21, 2020, April 03, 2020 and March 04, 2022 to the DoT requesting reconsideration and withdrawal of the Demands raised by the DoT including the revenues of the Company from Fertilizers and Chemicals Business which is completely unconnected to VSAT and ISP Licenses.

Hon'ble Supreme Court vide its Order dated June 11, 2020 directed DoT to reconsider the demand raised on Public Sector Undertakings ("PSUs"), which are not in business of mobile services to the general public.

Recently, the Telecom Disputes Settlement & Appellate Tribunal (TDSAT), in its Order dated 28th February, 2022 in the case of Netmagic Solutions Pvt. Ltd., a private limited company, held that that there is no scope to differentiate between two sets of licensees having same or similar Licenses only on the basis of their ownership, private or public and set aside the demand raised by the DoT.





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Based on the legal assessment in consultation with Senior Advocates, the Company believes that it has strong grounds on merits to contest the demand raised by the DoT and defend itself in the matter, hence no provision is considered necessary in the previous year and in these financial results. As at reporting date, the Company has not received any further update from DoT regarding these demand notices.

- 5 Other income for the quarter ended 30 June 2022 includes ₹ 10.39 Crores received from Employees' Provident Fund Trust of the Company (GNFC-EPFT) towards redemption value of principal and interest amount of security issued by Punjab State Industrial Development Corporation (PSIDC) and held by GNFC-EPFT. As this security was already matured in earlier years and maturity amount was not received by the GNFC-EPFT from PSIDC, this was not transferred in the name of the Company till date. The Company had already made good the loss while transferring the PF corpus to the Employees' Provident Fund Organisation (EPFO) by considering the fair value of security at ₹ 1 and therefore, the aforesaid receipt from (GNFC-EPFT) has been recorded as income of the Company.
- 6 The Consolidated Financial Results includes results of Associate Company – "M/s Gujarat Green Revolution Company Limited" in accordance with Ind AS – 110 "Consolidated Financial Statements" and Ind AS -28 "Investments in Associates and Joint Ventures". The Name of the Company's Wholly owned Subsidiary – "Gujarat Ncode Solutions Limited", has been strike off by the Register of Companies vide its Order dated September 25, 2021.
- 7 The Indian Parliament has approved & the President has accorded the assent to the Code on Social Security, 2020 ('Code') in September, 2020. The Code might impact the contributions by the Company towards Provident Fund, Gratuity and other employment and post-employment employee benefits. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record the impact, if any, in the period in which the Code becomes effective.
- 8 The figures of the preceding quarter ended March 31, 2022 were the balancing figures between audited figures in respect of the full financial year ended March 31, 2022 and the unaudited published year to date figures upto December 31, 2021 being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 9 Previous period / year figures have been re-grouped / re-classified wherever necessary to conform with current period presentation.

For and on behalf of the Board of Directors



Place : Gandhinagar
Date : August 08, 2022



PANKAJ
HARISHCHA
NDRA JOSHI

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PANKAJ
HARISHCHANDRA
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Pankaj Joshi, IAS
Managing Director

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LLP Identity No. AAB-7509

Independent Auditors' Review Report on the Quarterly Unaudited Standalone Financial Results of Gujarat Narmada Valley Fertilizer & Chemicals Limited, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to The Board of Directors Gujarat Narmada Valley Fertilizer & Chemicals Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Gujarat Narmada Valley Fertilizer & Chemicals Limited ("the Company") for the quarter ended 30 June, 2022 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by The Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 4 to the standalone financial results regarding a matter relating to demand of Rs. 16,359.21 Crores on the Company by Department of Telecommunications (DOT) towards Very Small Aperture Terminal ('VSAT') and Internet Service Provider ('ISP') Licenses fees and interest



thereof relating to earlier years. Based on the legal assessment in consultation with Senior Advocates of the said demand, the Company is of the view that no provision is required to be made at this point of time in respect of above matter. Our conclusion is not modified in respect of this matter.

6. The comparative standalone financial results of the Company for the quarter ended 30 June 2021 included in this Statement had been audited by predecessor auditor whose report dated 12 August 2021 expressed an unmodified opinion on that Statement. Our conclusion is not modified in respect of this matter.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No.: 121750W /W-100010

RAMESH Digitally signed by
RAMESH GUPTA
Date: 2022.08.08
17:36:36 +05'30'

GUPTA



(Ramesh Gupta)

Partner

Membership No. 102306

UDIN: 22102306AOOMNZ6780

Place: Mumbai

Dated: 8 August 2022

Suresh Surana & Associates LLP

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LLP Identity No. AAB-7509

Independent Auditors' Review Report on the Quarterly Unaudited Consolidated Financial Results of Gujarat Narmada Valley Fertilizer & Chemicals Limited, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to The Board of Directors Gujarat Narmada Valley Fertilizer & Chemicals Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Gujarat Narmada Valley Fertilizer & Chemicals Limited ("the Holding Company") and its share of the net profit after tax and total comprehensive income of its associate for the quarter ended 30 June 2022 ("the Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated 29 March 2019 ("the Circular").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 ('the Act') as amended, read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed the procedures in accordance with Circular No. CIR/ CFD/ CMD1/ 44/ 2019 dated 29 March 2019 issued by Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:
 - i. Gujarat Narmada Valley Fertilizer & Chemicals Limited
 - ii. Gujarat Green Revolution Company Limited, an associate company
 - iii. Gujarat Ncode Solutions Limited, a subsidiary company (strike off by Registrar of Companies vide its Order dated 25 September 2021)
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration referred to in paragraphs 7 and 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, as amended read with relevant rules issued thereunder and other recognised accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. We draw attention to Note 4 to the consolidated financial results regarding a matter relating to demand of Rs. 16,359.21 Crores on the Company by Department of Telecommunications (DOT) towards Very Small Aperture Terminal ('VSAT') and Internet Service Provider ('ISP') Licenses fees and interest thereof relating to earlier years. Based on the legal assessment in consultation with Senior Advocates of the said demand, the Company is of the view that no provision is necessary in respect of this matter. Our conclusion is not modified in respect of this matter.
7. The accompanying unaudited consolidated financial results includes the Holding Company's share of net profit after tax of Rs. 2.48 Crores, and total comprehensive income of Rs. 2.48 Crores for the quarter ended 30 June 2022, as considered in the Statement, in respect of the Associate based on its interim financial information which have not been reviewed by the other auditor. These unaudited financial information have been approved and furnished to us by the management and our conclusion, in so far it relates to the affairs of the Associate is based solely on such unaudited financial information compiled by the management. According to the information and explanations given to us by the Management, these interim financial information are not material to the Holding Company.

Our conclusion on the Statement is not modified in respect of the above matter.

8. The comparative consolidated financial results of the Company for the quarter ended 30 June 2021 included in this Statement had been audited by predecessor auditor whose report dated 12 August 2021 expressed an unmodified opinion on that Statement. Our conclusion is not modified in respect of this matter.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No.: 121750W /W-100010

RAMESH
GUPTA

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RAMESH GUPTA
Date: 2022.08.08
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(Ramesh Gupta)
Partner

Membership No. 102306
UDIN: 22102306AOONDA5796
Place: Mumbai
Dated: 8 August 2022



Gujarat Narmada Valley Fertilizers & Chemicals Ltd
 PO: Narmadanagar,
 Bharuch – 392 015

Results: Q1 FY 22-23

A meeting of the Board of Directors was held on 08th August, 2022 to consider and approve the Unaudited Financial Results for Q1 FY 22-23.

Q1 FY 22-23
Revenue From Operation at ₹ 2,696 Crore,
PBT at ₹ 761 Crore

GNFC Posts Highest Ever 1st Quarter Revenue & Results

Financial highlights:

Figures: ₹ Crores

	FY 22-23	FY 21-22		Change
	Q1	Q4	Q1	Y-o-Y
Operating Revenue	2,696	2,772	1,394	93%
Total Revenue	2,772	2,832	1,437	93%
Operating EBITDA @	762	886	393	94%
EBITDA % @	28%	32%	28%	
PBT	761	871	366	108%
PAT #	569	643	240	137%

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

PAT of Q1 FY 21-22 is as per old tax regime (i.e. @ 34.94%).

Adjusted for tax option @ 25.17%, the Q1 FY 22-23 PAT is up 114% on Y-o-Y basis.

Mr. Pankaj Joshi, Managing Director, GNFC expressing his views on the operating and financial performance mentioned that:

“During Q-1 FY22-23, the economy witnessed inflationary pressures mainly emanating from steep rise in energy prices.

Oil, gas and coal are amongst the primary energy sources used in bulk chemicals as feed/fuel. These inputs witnessed phenomenal rise due to, both, availability and logistics issues mainly emanating from geopolitical situation primarily attributable to Russia-Ukraine war.

It has been over six months that the war is still raging and Russia offers no signs of cooling down. Russia and China together control substantive part of natural resources such as Oil, Gas and Coal, precious metals etc. and hence are in an obvious position to disrupt supply chains across continents. This hard reality is playing out with ripple inflationary effects on downstream products like chemicals, petro chemicals, catalyst which also went up sharply.

Under the highly volatile and uncertain economic environment, GNFC posts highest ever Q-1 operating revenue as well as profits. While all business segments have witnessed positive results, the key driver of profitability is chemical realisation buoyancy looked at from usual first quarter comparison over a period.

Portfolio of diversified chemical products and better integration of upstream and downstream products offers opportunity of better product planning and opportunity to adjust product offerings as per demand-supply conditions prevailing in the market. These factors apart, market monitoring for pricing adjustments continue to lend flexibility in production planning and pricing thereby providing opportunity for cost and realisations optimisation.

The Q-1 FY 22-23 Operating Revenue at ₹2,696 crores is historical highest which is 68% higher than previous highest ever first quarter revenue recorded in Q1 FY 18-19.

Similarly, the Q-1 FY 22-23 PBT at ₹761 crores is also the historical highest which is 108% higher than its previous highest ever Q-1 PBT recorded which was in Q1 FY 21-22 i.e. last year which was a year of GNFC’s historical financial performance.

Although as compared to Q-4 FY 21-22 volumes and operating margins are slightly lower due to some operating disturbances mainly in urea production apart from market related issues in chemicals like Aniline and Formic Acid. In product like methanol due to skewed trends of natural gas vs. methanol, buying methanol offered better opportunity to save on costs as against in-house production. Notwithstanding such issues, the overall Q-1 financial performance is highest ever.

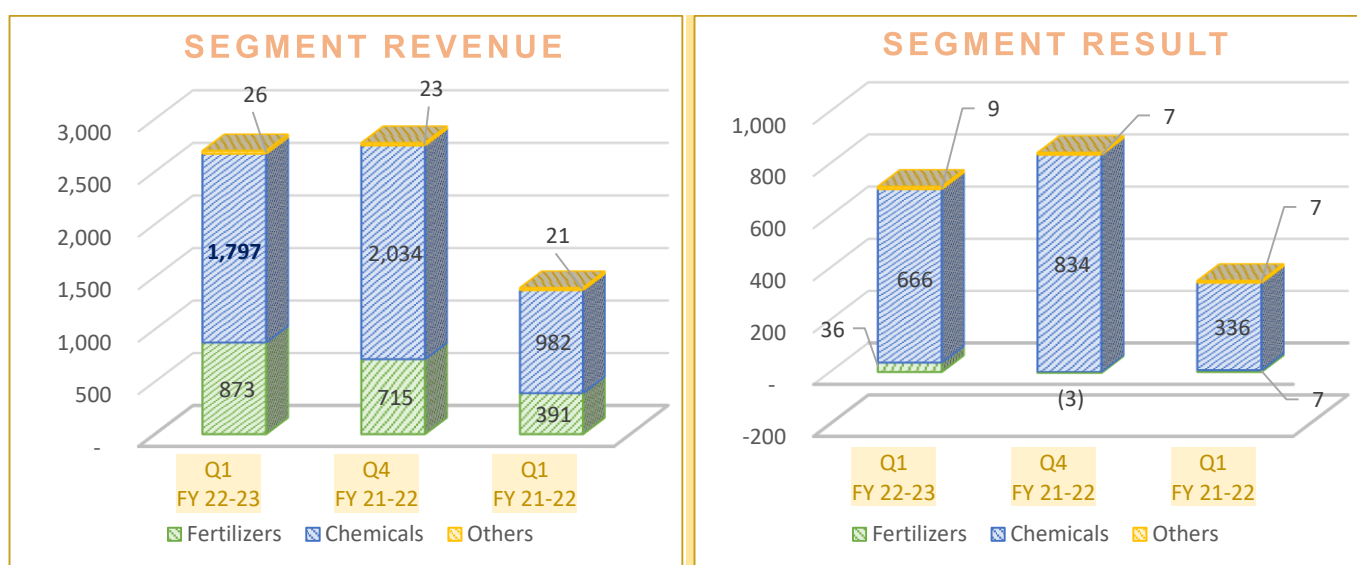


Segment Performance:

Figures: ₹ Crores

Segment	Revenue			Results		
	FY 22-23	FY 21-22		FY 22-23	FY 21-22	
	Q1	Q4	Q1	Q1	Q4	Q1
Fertilizers	873	715	391	36	(3)	7
Chemicals	1,797	2,034	982	666	834	336
Others	26	23	21	9	7	7
Total→	2,696	2,772	1,394	711	838	350
Unallocables				50	33	16
PBT				761	871	366

₹ Crores



It is pertinent to mention here that unstinted support of Government of India for fertilizer industry to not only continue but provide additional subsidy for the complex fertilizers served as a huge respite and this has improved operating performance of fertilizer segment.

Governments' clear commitment to not only sustain but grow the fertilizer industry to self-sufficiency is echoed in its actions for increase in subsidy budget allocation post announcement of Union Budget. For FY 22-23, GOI's originally budgeted subsidy of ₹1,05,000 Crores is increased to ₹ 2,15,000 Crores a whopping increase of 105 % i.e. ₹ 1,10,000 Cores.

Capex Plan:

- **Formic Acid:** Brown field expansion project is completed with commercial production as well as plant stabilisation phase is over. This is adding capacity by 6,800 MTPA. The project cost of ₹ 53 crores (net of creditable taxes) is capitalised during the quarter.
- **Concentrated Nitric Acid:** During FY 22-23, Concentrated Nitric Acid plant with a capacity of 50,000 MTPA. are expected to be commissioned by fourth quarter. The capex size is ₹110 crores.
- **Renewal Power Capex:** In addition to 10 MW Solar Power Plant operationalised during last FY, additional 4 MW Solar Power Plant with capex size of ₹26 crores is expected to be commissioned during current FY 22-23.

- **Capacity adding brownfield projects:** Ammonia capacity enhancement project with additional capacity of 50,000 MTPA Weak Nitric Acid project with a capacity by 2,00,000 MTPA and Ammonium Nitrate Melt project with capacity of 1,63,000 MTPA are on track. The total capex size of these projects is around ₹1,350 crores.
- **Others:** Capex proposals for further foray into Green Hydrogen, Green Ammonia, Polycarbonate and other chemicals are at active evaluation stage. Estimated capex on account of these projects is around ₹2,900 crores. Company is also exploring investment in Cracker for new as well as existing chemical products upstream with product slate to provide required integration advantage and drive cost efficiencies in the process to enhance the top and bottom line as the next progressive step in the direction of value accretive growth.

Other Comprehensive Income:

It represents mainly the change in quoted value of investments due to quoted price changes on long term investments held.

Balance Sheet:

With high net worth proportion in the overall balance sheet size and debt free position, the company has a strong financial position to wither any future shock.

Cash flow position:

Working capital levels have increased due to build-up of subsidy receivables as a result of high energy prices – gas and coal apart from increase in inventories of finished goods on one hand and discharge of liabilities due and payable on the other hand. Due to this, cash flow position is more or less at the same level at the beginning of financial year.

Outlook:

The Company is hopeful of maintaining the momentum keeping its continuous focus on improving operating margins with its focus on value accretive capex while keeping a sharp focus on current product mix.

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 in Bharuch, Gujarat in 1976.

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

Today, chemicals are significant contributor of, both, revenue as well as profits.

Disclaimer: Except for the historical information contained herein, statements in this presentation and the subsequent discussions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties including the impact of Covid-19 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.
