



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
8th November, 2023

FAX : 02642 – 247084
E-Mail: 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.: Investor Presentation Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ref.: Investor Meet vide our letter dated 23rd October, 2023.

Dear Sir/Madam,

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 Thursday, 09th November, 2023 at 3:30 PM IST through Conference Call. An Invite for the same has already been submitted through our letter dated 23rd October, 2023.

In continuation of our above submission, we are attaching the Investor Presentation Conference call for the Q2 FY 23-24.

The above information shall be made available on the Company's Website i.e. www.gnfc.in

We request you to kindly take note of the above.

Thanking you,

Yours faithfully,

For GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

Digitally signed by
ASHWINKUMAR
R CHIMANLAL
SHAH
Date: 2023.11.08
20:33:17 +05'30'

CS A C SHAH
COMPANY SECRETARY & GM (LEGAL)

Gujarat Narmada Valley Fertilizers & Chemicals Ltd

INVESTOR PRESENTATION – CONFERENCE CALL – Q2 FY 23-24

November - 2023



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.

Strengths

Multi-product basket which helps to keep financial stability

Record capacity utilization in all plants

PAN India distribution network



Robust manufacturing technologies; absorbed and adopted from technology experts worldwide

Consistent profit since inception

Strong technical team with deep experience and innovative culture

Key Business Updates

Fertilizers:

- Nutrient based subsidy (NBS) rates are announced for Rabi. Effectively down by ~33% in case of GNFC
- Improved receipt of subsidy keeping subsidy level down thereby generating better operating cash flow
- Government is actively working on policy for urea industries stakeholders
- Representations are on for concession in energy norms for coal using units

Chemicals:

- Due to steep divergence in Gas and Methanol prices continues, bought out methanol cost economics are better than producing in-house.
- Chemical realizations continue to be under pressure across the board
- Concentrated Nitric Acid (CNA)-IV started commercial production in July, 2023 with capacity of 50KTPA
- TDI-II H1 operations are stable

General:

- Long term settlement is under negotiation. Estimated impacts are already factored, both, in FY 22-23 and FY 23-24
- With a view to enhance shareholder value, Board of the company has considered the option of buyback of shares



Shri Pankaj Joshi
Managing Director

During Q-2 FY 23-24, company has commenced operation of its brownfield CNA-IV with annual production capacity of 50,000 MT.

While Q-2 physical and financial performance is better as compared to Q-1, both are really not comparable in view of shutdown impact in Q-1.

On a Y-o-Y Q-2 basis the margins have come under pressure mainly due to erosion in net sales realisations practically across chemical products portfolio.

During the financial year, Dahej operations of TDI has been stable which helped improve the kitty of contribution.

With a view to improving the shareholder value the Board has announced buyback of 84,78,100 equity shares @ ₹ 770 per share. The rationale is like to be part of Public Announcement shortly.

Financial Performance

(₹ Crores)

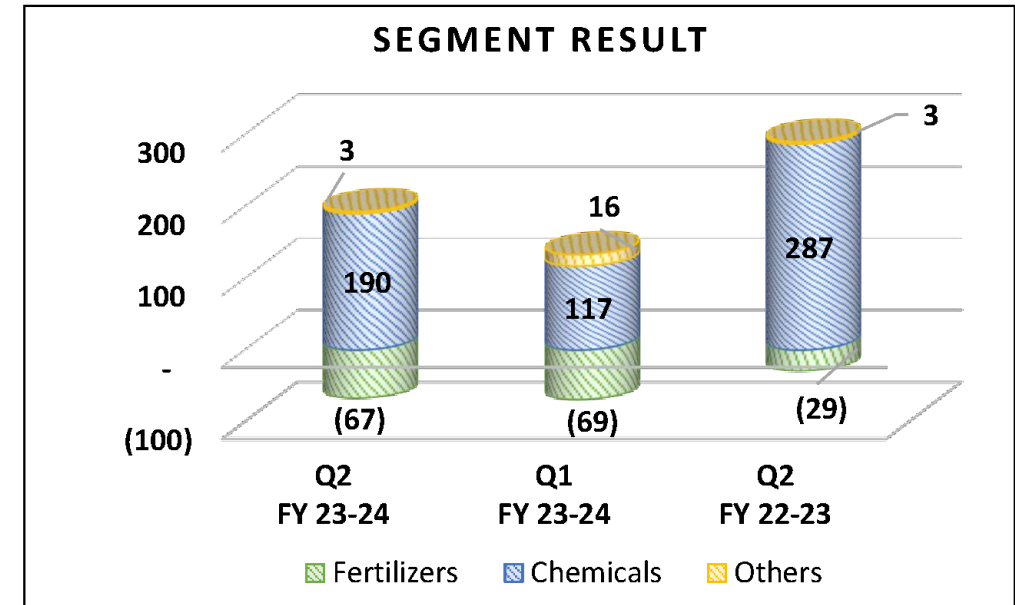
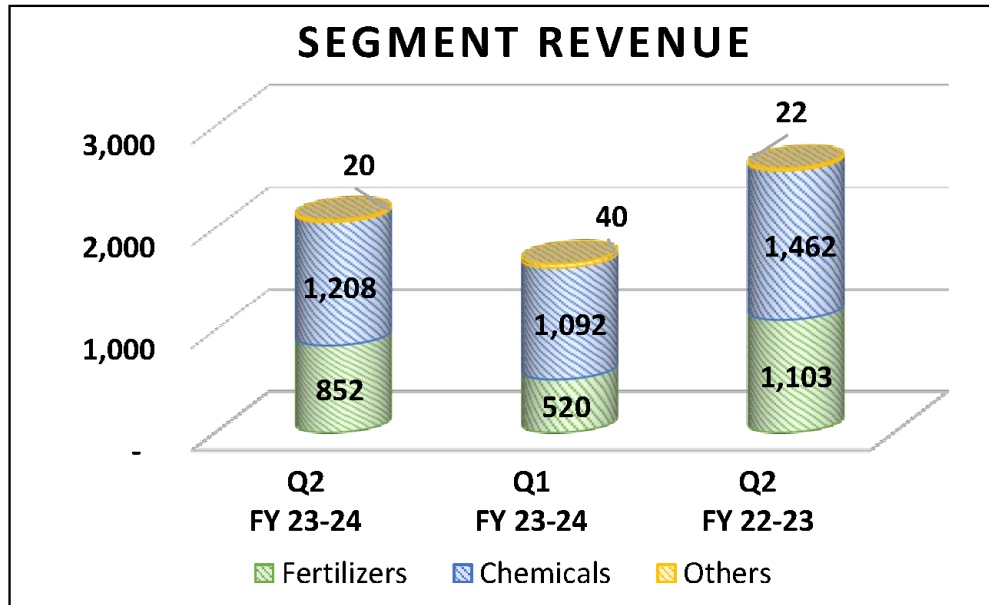
Particulars	FY 23-24		FY 22-23	FY 23-24	FY 22-23	Change
	Q2	Q1	Q2	H1		Y-o-Y
Operating Revenue	2,080	1,652	2,587	3,732	5,283	(29%)
Total Revenue	2,232	1,740	2,672	3,972	5,444	(27%)
Operating EBITDA @	169	105	309	274	1,072	(74%)
EBITDA % @	8%	6%	12%	7%	20%	
PBT	242	116	316	358	1,077	(67%)
PAT	178	85	237	263	806	(67%)

There was annual planned maintenance shutdown during H-1 FY 23-24 resulting into lower volume affecting revenue apart from decrease in sales realisations in most of chemical products.

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

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

Segment Performance



Q-2 Vs Q-1:

Fertilizer segment result continue to negative mainly due to low subsidy of complex fertilizer and higher fixed cost partly compensated by decrease in input cost of complex fertilizer and lower energy norms.

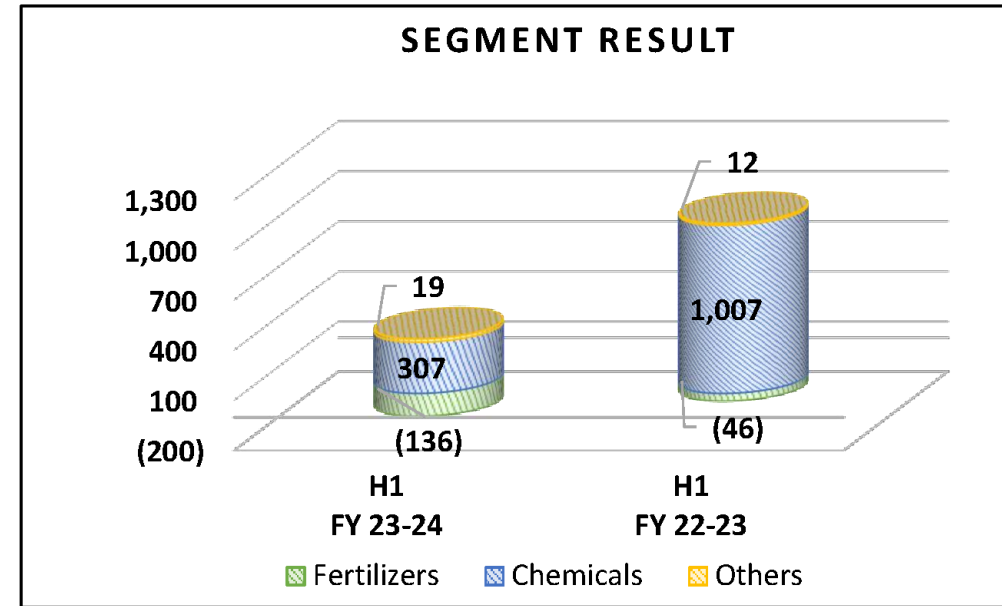
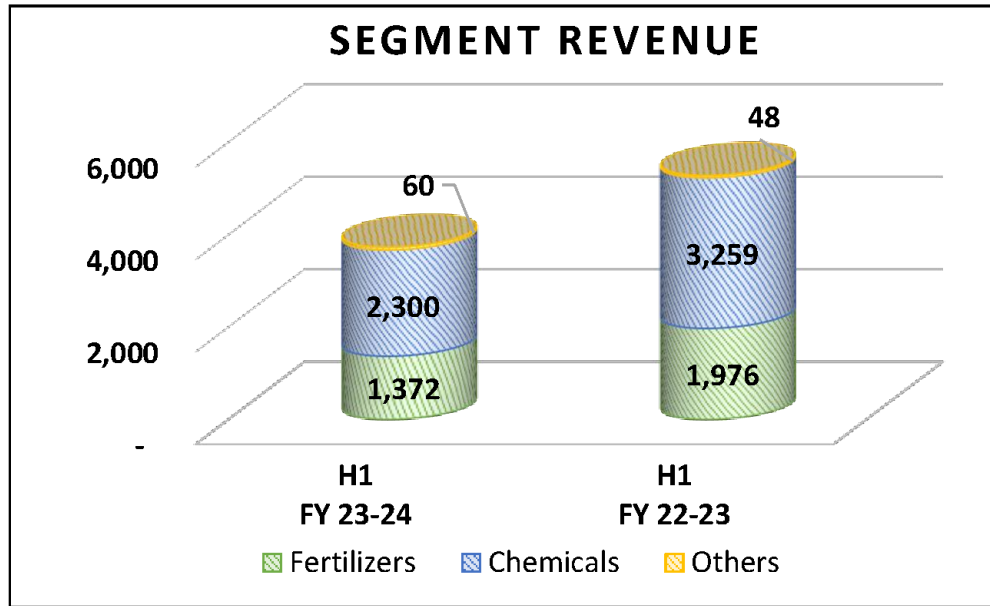
The performance is better in Chemical Segment mainly due to higher volume, decrease in input cost and fixed cost partially compensated by lower sales realization.

Q-2 Vs Q-2

Fertilizer segment results reduced mainly due to low subsidy of complex fertilizer and higher fixed cost partly compensated by lower energy norms and decrease in input cost of complex fertilizers and higher volume.

The performance is lower in Chemical segment mainly due to lower sales realization partially compensated by higher volume, decrease in input cost and decrease in fixed cost.

Segment Performance



H-1 Vs H-1:

Fertilizer segment results reduced mainly due to low subsidy of complex fertilizer and higher fixed cost and lower volume partly compensated by lower energy norms and decrease in input cost of complex fertilizers.

The performance is lower in Chemical segment mainly due to lower sales realization and lower volume and increase in fixed cost partially compensated by decrease in input cost.

Balance Sheet Summary

(₹ Crores)

Particulars	30-09-23	31-03-23	Variance
Net Fixed Assets	3,332	3,383	(2%)
CWIP	186	186	-
Investments	3,127	3,106	1%
Cash & Bank	2,297	2,031	13%
Deposit with GSFS	650	800	(19%)
Net Working Capital	207	487	(57%)
Total Assets	9,799	9,993	(2%)
Borrowings	171	- *	100%
Deferred tax liability (net)	290	344	(16%)
Government grants (deferred income)	615	643	(4%)
Net worth	8,723	9,006	(3%)
Total Liabilities	9,799	9,993	(2%)

The key changes are in Net Working Capital mainly due to regular release of subsidy by Gol.

* Amount nullified on conversion to ₹ in crores.

Cash Flow Summary

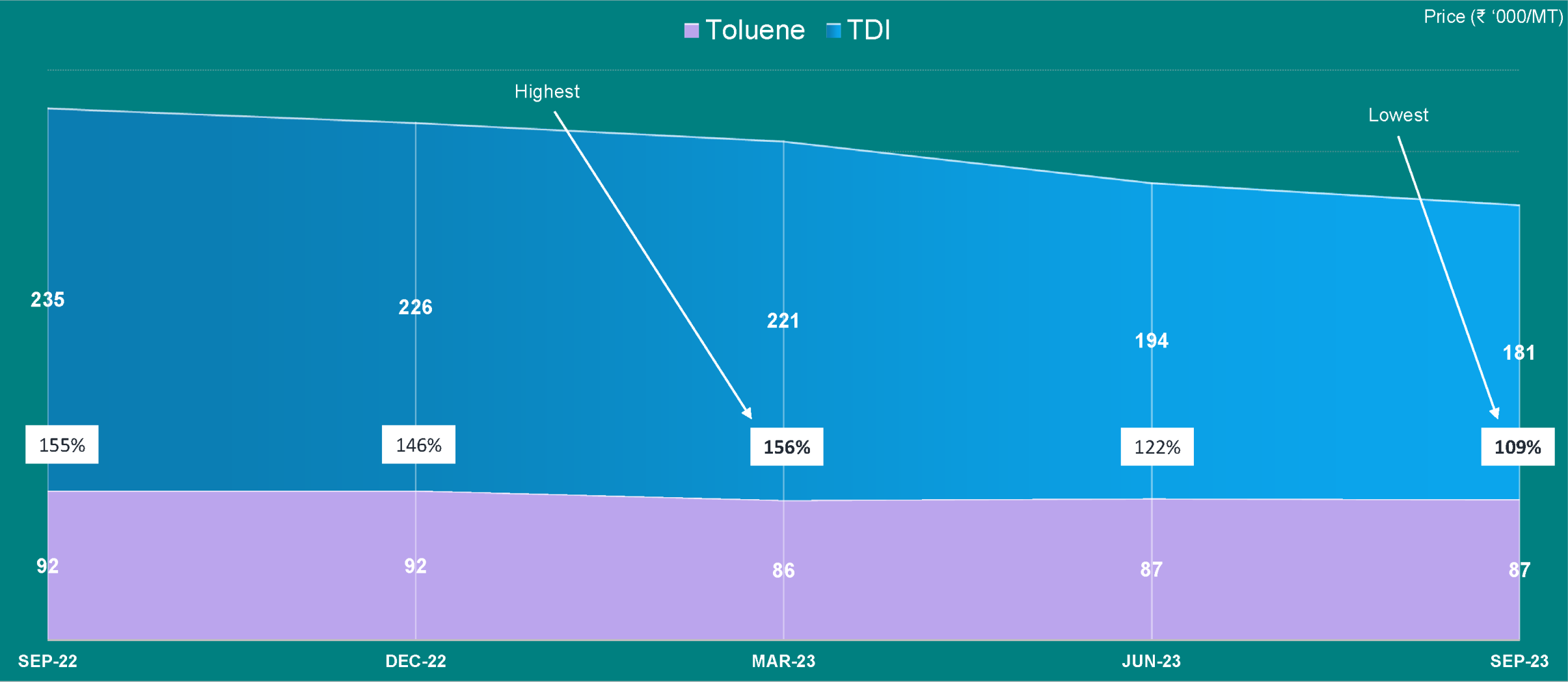
(₹ Crores)

	Particulars	H1 FY 23-24	H1 FY 22-23	Variance
A	Operating Cash Flow before Working Capital changes	314	1,118	(72%)
	Net Change in Working Capital	347	(674)	151%
	Taxes Paid	(194)	(249)	22%
B	Net cash from Operating Activities	467	195	139%
C	Net cash (used in) Investing Activities	(657)	(103)	(538%)
D	Net cash (used in) Financing Activities	(3)	(5)	40%
E	Net Increase in Cash & Cash Equivalent	(193)	87	(322%)
F	Cash and cash equivalents at the beginning of the year	56	73	(23%)
G	Cash and cash equivalents at the end of the year	(137)	160	(186%)

Operating cash flows are higher than profits mainly due to subsidy release support from Gol.

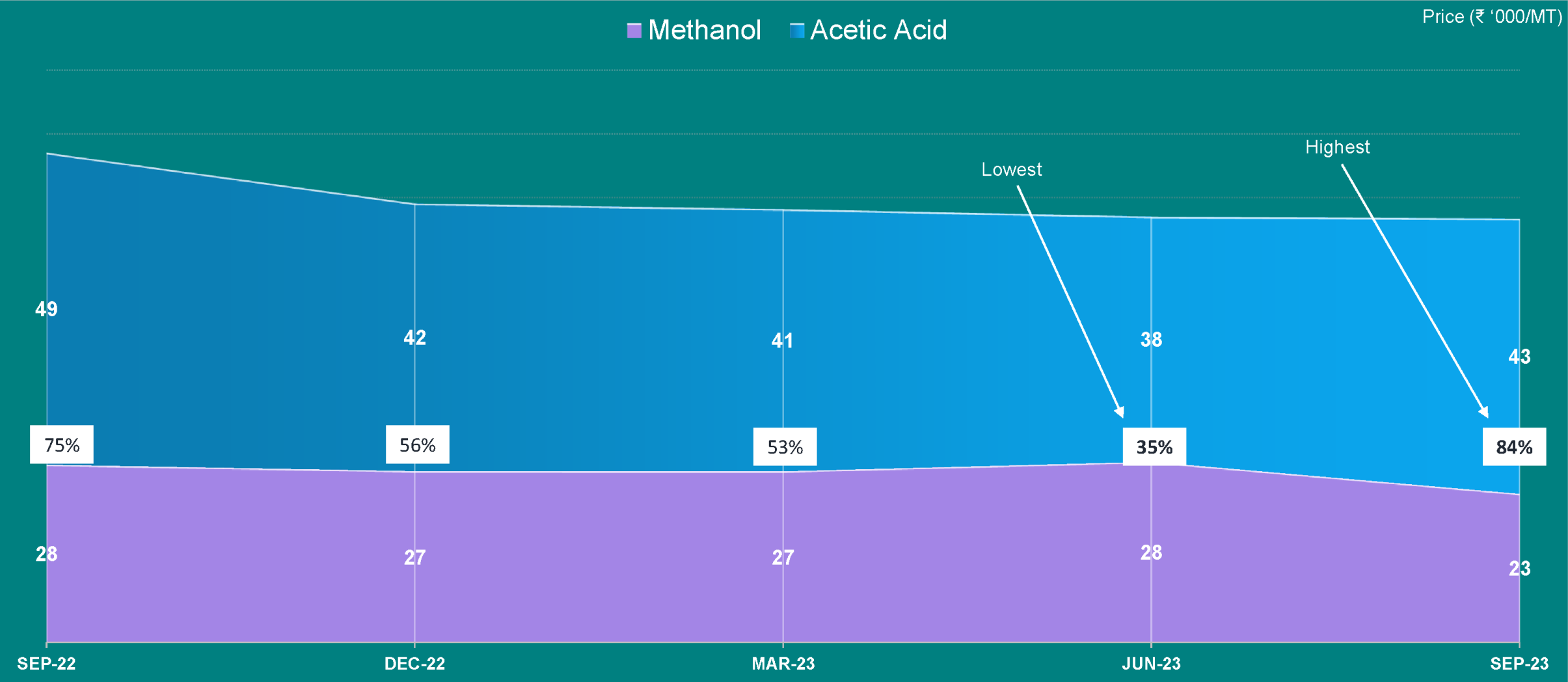
Outflow from investing activity represents investment of surplus fund.

Feedstock Spreads



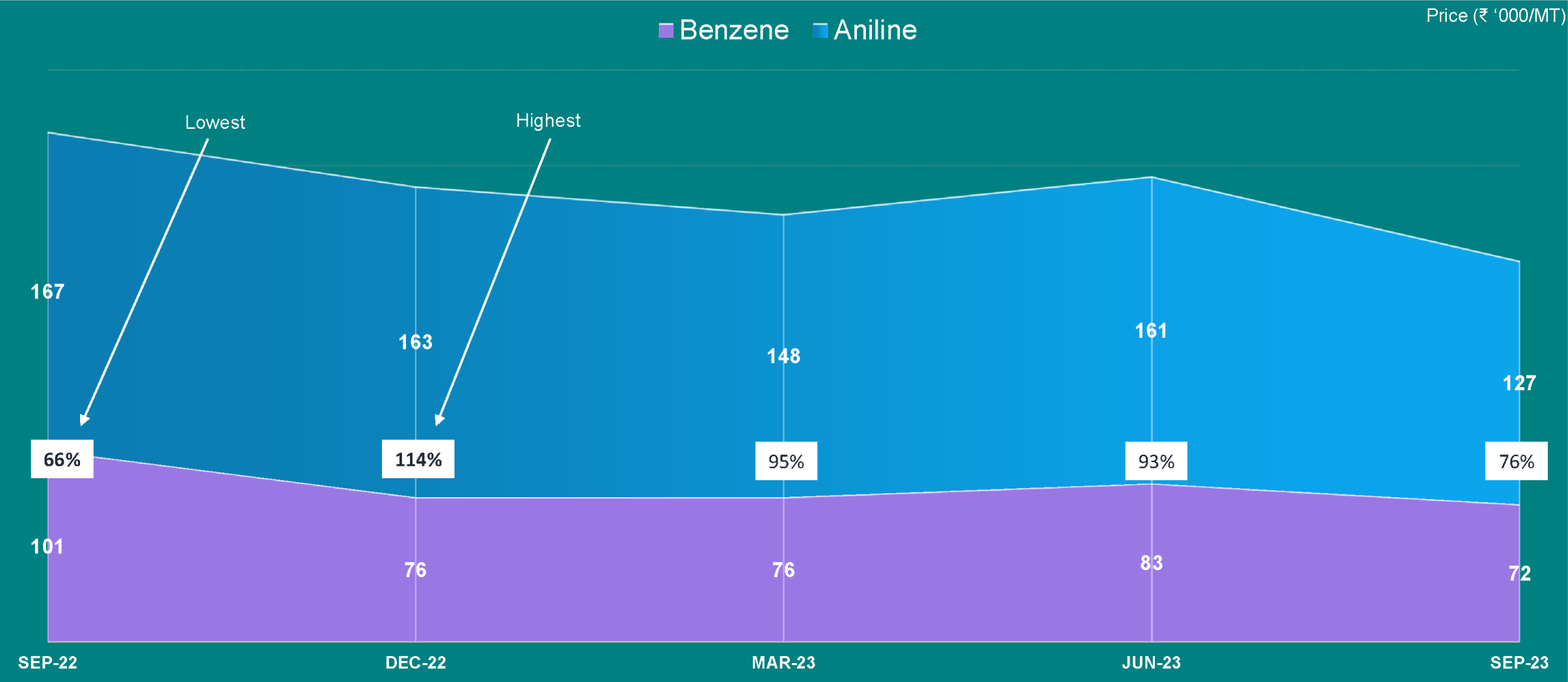
Source: Company

Feedstock Spreads



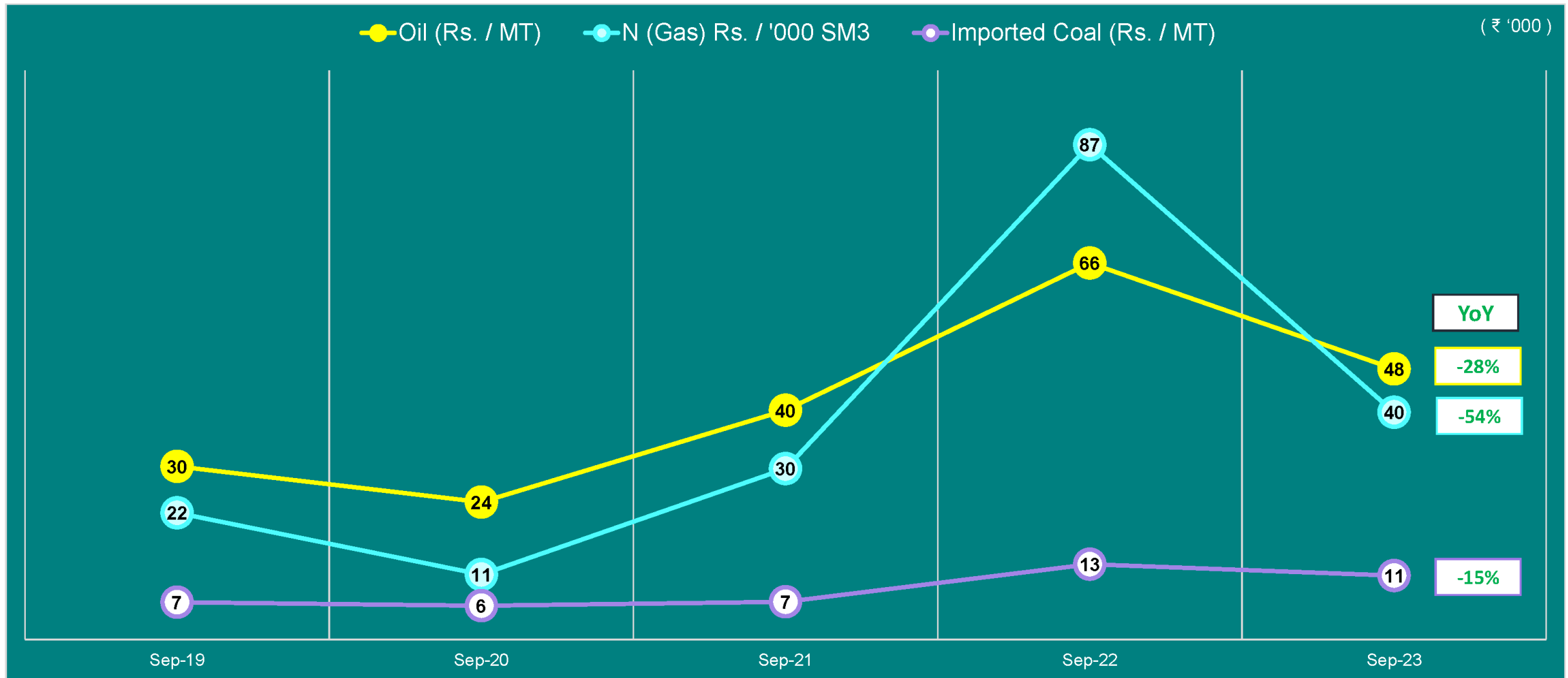
Source: Company

Feedstock Spreads



Source: Company

Trends In Key Energy Inputs



Source: Company % Represent Y-o-Y Changes N (Gas) : Considered Non Urea

Expansion Plan

Ongoing Projects	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
4 MW Solar Power Project	04 MV (AC)					
Coal Based Steam & Power Plant, TDI-II	150 Mt/Hr. Steam & 18 MW Power					
10 MW Electrolyser based Green Hydrogen Project	Phase - I: 5 MW Electrolyzer					
Weak Nitric Acid (WNA-III)				200 KTPA		
Ammonium Nitrate Prills (AN-II)				163 KTPA		
Ammonia Expansion				50 KTPA		

**Projects Under
Active
Consideration**

Polycarbonate

**Naphtha Based Cracker & Down
Stream Chemicals**

Earning Conference Call Q2 FY2023-24

Time: Thursday, 09th November, 2023 at 03:30 pm IST

Dial-In Numbers: Primary Access +91 22 6280 1328 / +91 22 7115 8255

Diamond Pass Registration Link:

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=1084224&linkSecurityString=61fdca840>



For Further Information Please Contact:

Investor relation cell at:

✉ Email: investor@gnfc.in