



**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/
February 07, 2022

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.: 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 Friday , 11th February , 2022 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

We are attaching the Analyst and Shareholders Communication February-2022 Presentation on the Financials of the Company for the Q-3 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 Q3FY22 Financial Performance

With

Mr. D. V. Parikh, Executive Director & 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

Friday, 11th February 2022 at 03:30 pm IST

Dial-In Numbers:

Primary Access: +91 22 6280 1222 / +91 22 7115 8123

R.S.V.P. :

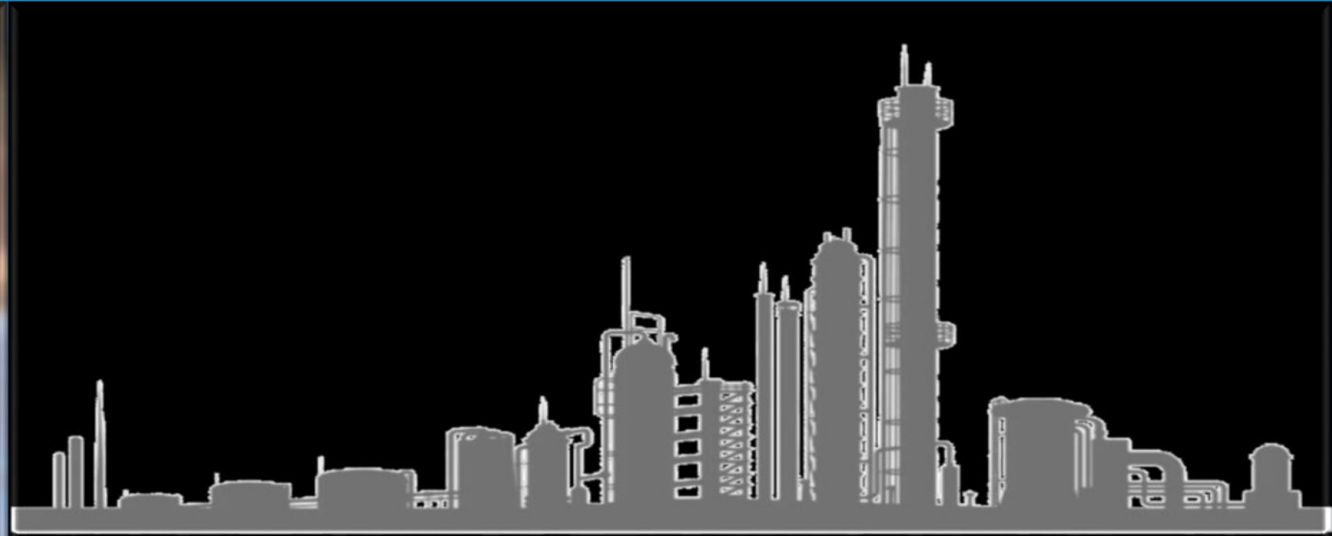
Mr. A. C. Shah

General Manager & Company Secretary

E-mail : acshah@gnfc.in

Gujarat Narmada Valley Fertilizers & Chemicals Ltd

Analyst and Shareholders Communication
February - 2022

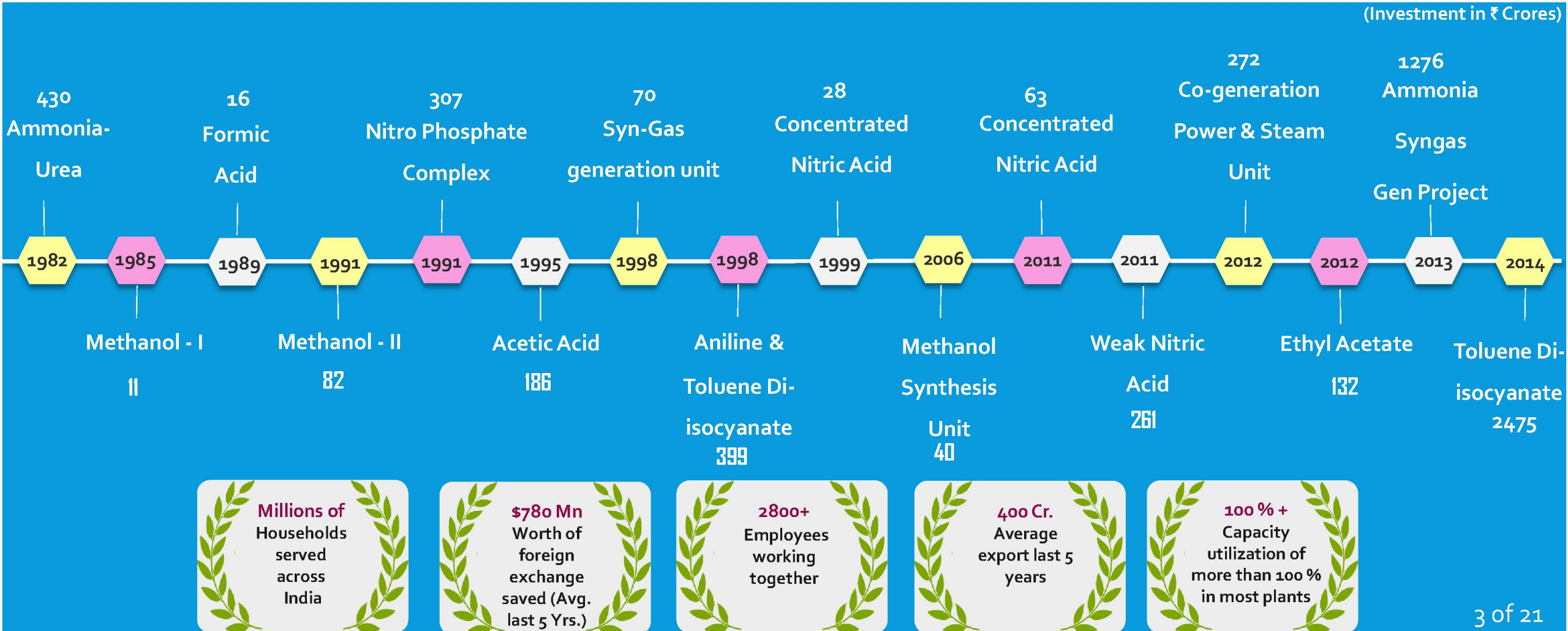


Cautionary Note - Forward Looking Statement

- ✓ 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.

Journey over the years

Established in 1976 with the world's largest Single Stream Ammonia-Urea Plant, over the years GNFC diversified into Industrial Chemicals drawing upon world's finest technologies to produce world class quality products. GNFC today has to its credit, India's largest Methanol, Formic Acid and Acetic Acid plants.



Strengths

Multi-product basket which helps to increase turnover & sustain profitability even in adverse conditions

Record capacity utilization in all plants, through indigenously innovative maintenance measures

PAN India distribution network with reliable dealers

Robust manufacturing technologies; absorbed and adopted from technology experts worldwide

Consistent profit from first year of operation

Strong technical team with deep experience and innovative culture

Technology Partner



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

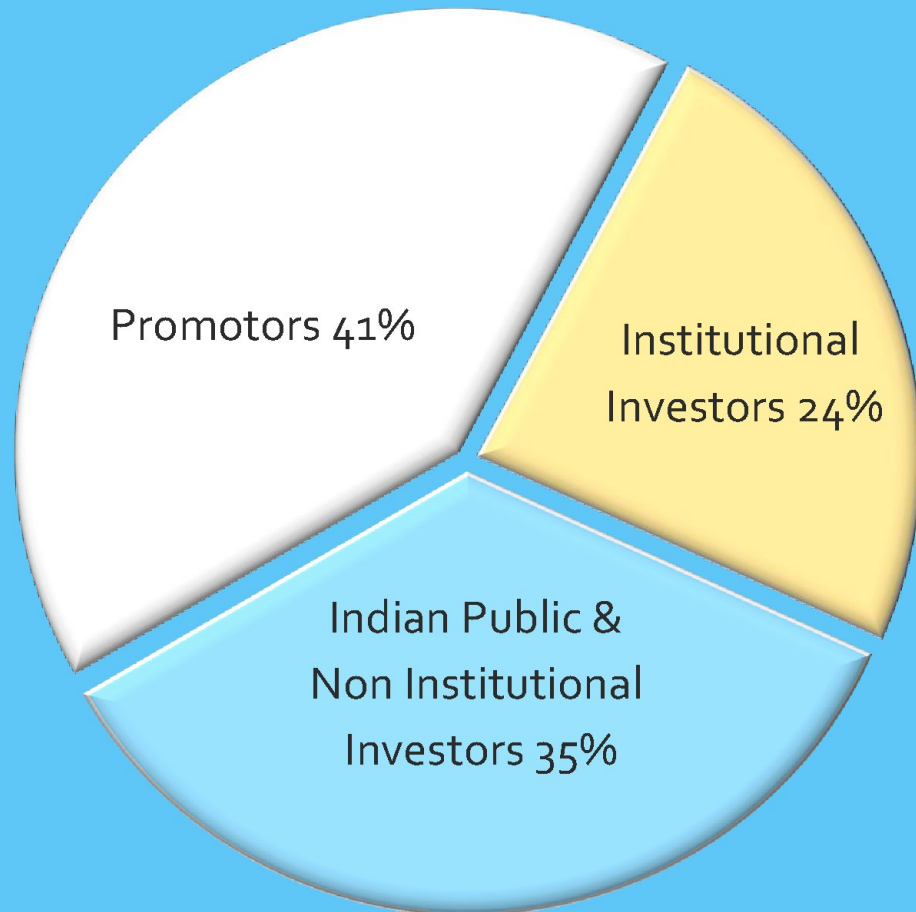


Saipem Italy 
Urea



Uhde Germany (Now ThyssenKrupp) 
Weak Nitric Acid

Shareholding Pattern



	Particulars	31-12-21	31-03-21	31-12-20
A	Promoters	41%	41%	41%
B	Institutional Investors	24%	23%	22%
C	Indian Public & Non Institutional Investors	35%	36%	37%

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

Key Business Updates

Fertilizers:

- Additional subsidy on mixed fertilizers continues to provide partial respite to Fertilizer Segment.
- Arrears of urea subsidy is reducing in view revision in Concessional Rate which are higher reflecting feed and fuel prices.
- New Urea Framework is under debate.
- Representations are on for concession in energy norms for coal using units.
- Company is exploring the possibilities in to nano fertilizers.

Chemicals:

- Pandemic resurgence impact so far has been minimal on business except on TDI.
- Energy prices are at all time high in many cases like Natural Gas, Oil and Coal.
- Due to steep divergence in Gas and Methanol prices, the methanol requirements are met based on 'Make Vs. Buy' approach so as to reduce overall costs.
- Buoyancy in chemical continues.
- Company has opted for lower regime of taxation i.e. effective income tax rate of around 25.168%
- Company is in the process of exploring possibilities of moving towards net zero to reduce the carbon footprint. Steps have been initiated so as to be ESG Compliant.
- Brown field projects like CNA and Formic Acid are on course, TDI-II debottlenecking is practically over.

FINANCIAL RESULTS OVERVIEW



Message From Management



Shri Pankaj Joshi
Managing Director

Operating and Financial Performance:

On Quarterly Q-o-Q and Y-o-Y basis, as well as YTD basis, there has been improved overall production and sales volume performance except for the product mix optimisation (Make Vs. Buy Decisions as well as Upstream Vs. Downstream product choices depending upon the market conditions) due to which the margins are actually enhanced.

Overall the current financial year witnessed highly volatile and upward swings in, both, feed and fuel prices.

However, standing firm against elevated input costs, the margins remained protected mainly due to support of higher realisations on output products front mainly led by Chemicals as well as serving profitable product mix.

Nonetheless, in case of fertilizers, the support of Government for granting special subsidy to compensate the fertilizer producers mainly of DAP/NP/NPKs came as breather and acted as shield towards minimising the adverse impact on financials.

The Q-o-Q and Y-o-Y Revenue from Operations (RFO), PBT and PAT rose reflecting, both, higher subsidies on fertilizers as well as higher chemical segment realizations.

With switch over to new taxation rate regime after careful consideration, the tax expenses are now reflecting the reduced rate of Income Tax. To this extent, the tax for the quarter is the balancing figures after adjusting for the higher tax incidence already accounted for up to first half of the FY 21-22.

Revenue from Operations (RFO), PBT and PAT are amongst the **historical highest ever respective period performances in the 46 years' history** of company on quarterly as well as YTD basis.

Further, **YTD performance of PBT and PAT of ₹1,427 crores and ₹1,060 Crores are higher than highest ever Yearly PBT and PAT reported by the company so far by 23% and 34% respectively**

Performance Q-3 FY2021-22

(₹ Crores)

Particulars	Q3 21-22	Q2 21-22	Q3 20-21	9M 21-22	9M 20-21	FY 20-21
Revenue from Operation (RFO)	2,380	2,096	1,508	5,871	3,396	5,129
Other Income	48	58	45	149	188	237
Total Income	2,428	2,154	1,553	6,019	3,584	5,366
Total Expenses	(1,706)	(1,665)	(1,145)	(4,373)	(2,862)	(4,125)
EBITDA*	674	431	363	1,498	533	1,003
EBITDA % to RFO	28%	21%	24%	26%	16%	20%
Finance Cost	(1)	(1)	(1)	(3)	(19)	(20)
Depreciation	(77)	(71)	(70)	(217)	(204)	(272)
PBT	644	417	337	1,427	499	948
Tax (expense) / benefit	(106)	(135)	(97)	(366)	(118)	(259)
PAT	538	282	240	1,060	380	689
PAT % to RFO	23%	13%	16%	18%	11%	13%
EPS (₹ Per Share)	34.64	18.16	15.45	68.23	24.47	44.35

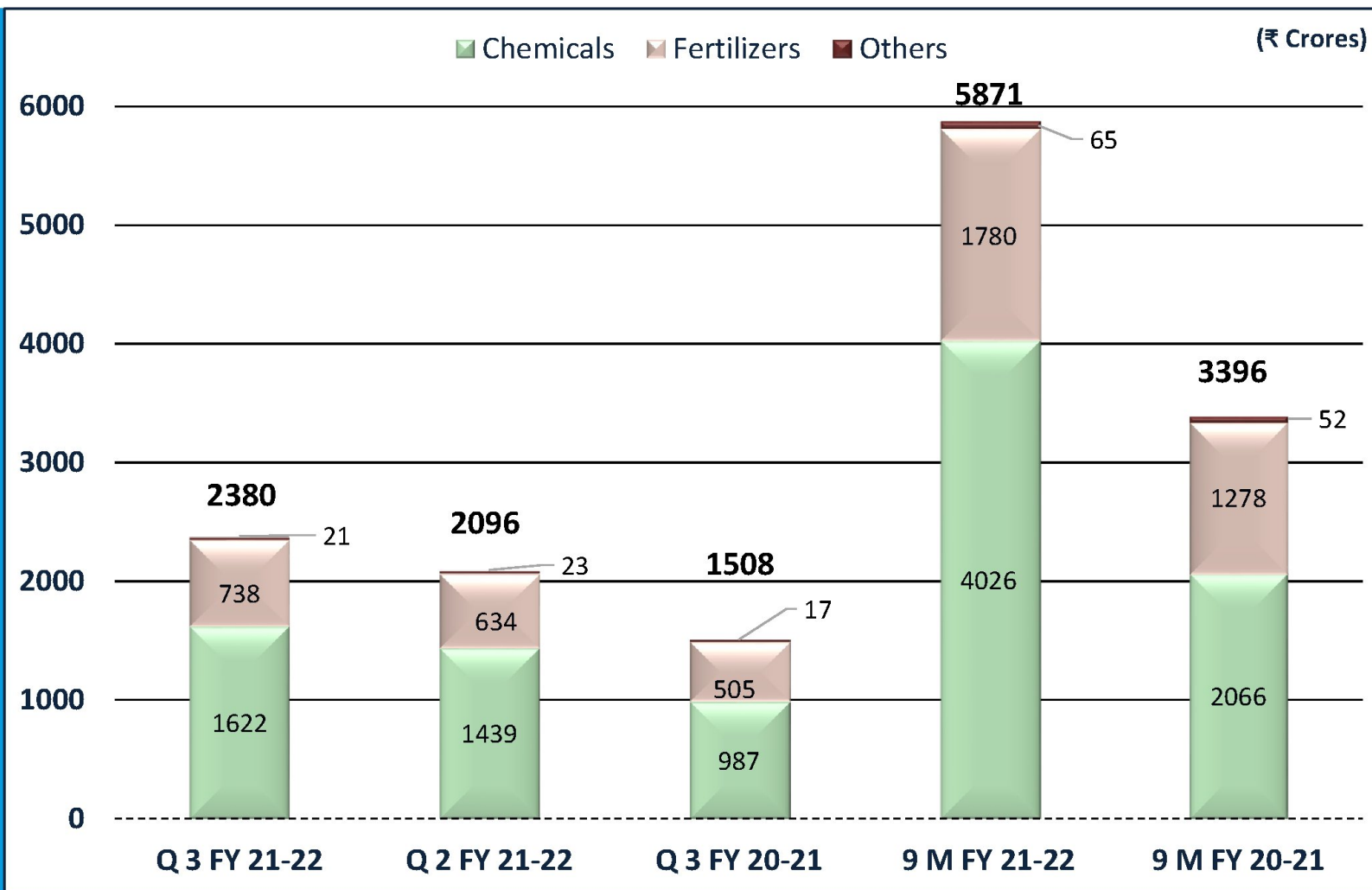
Performance: Q-3 Revenue from Operations of ₹2,380 Crores, PBT of ₹644 Crores and PAT of ₹538 Crores are **historical highest ever quarterly performance respectively.**

On Year to Date (YTD) ending December, FY 21-22 basis PBT of ₹ 1,427 Crores and PAT of ₹ 1,060 Crores **surpass all yearly records in its 46 years' history.**

Income tax: This year, considering various developments, company has opted 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.

Segment Revenue



Q 3 FY 21-22 Vs. Q 2 FY 21-22 :

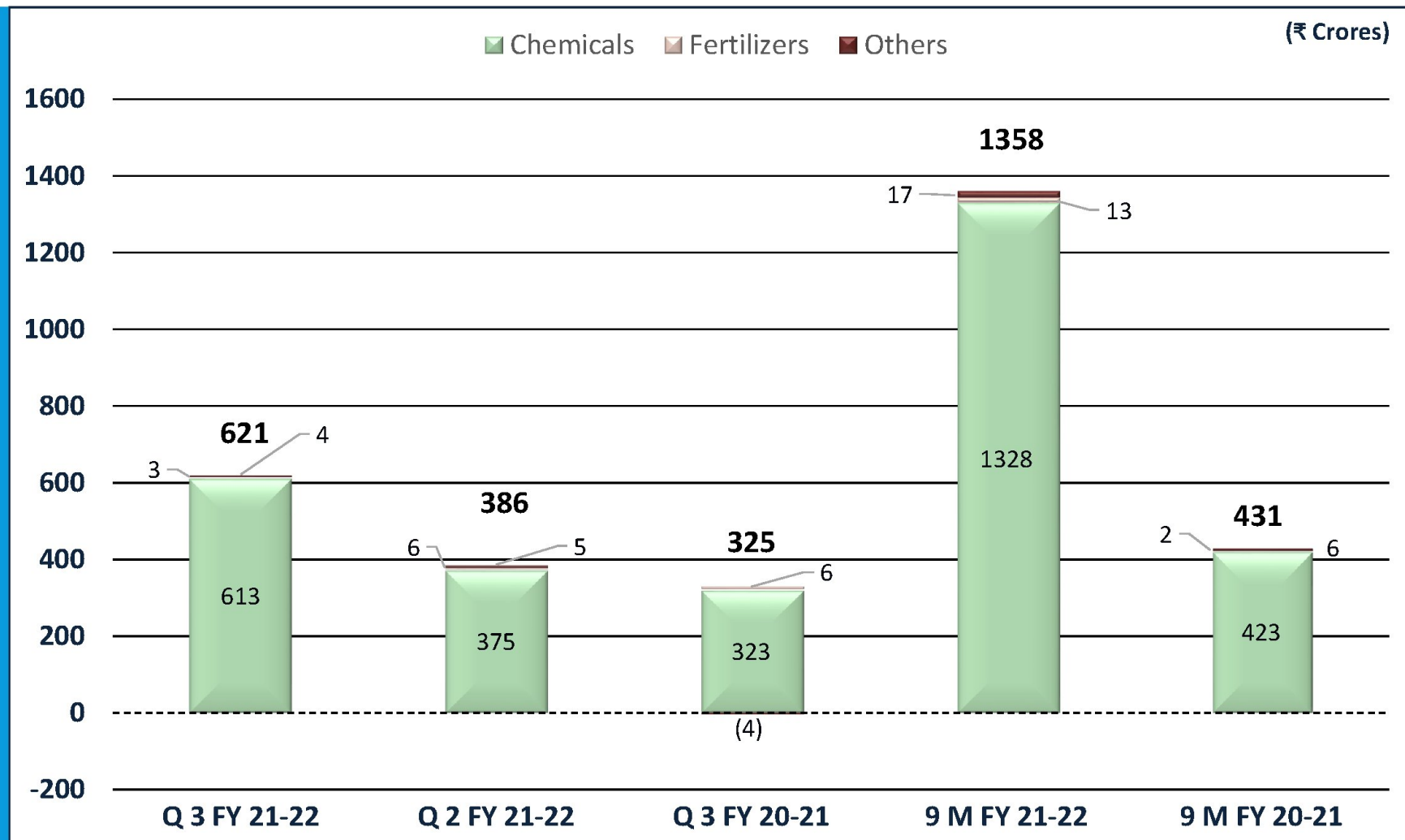
Price variance favorable whereas decrease in volume in all the Products except couple of products.

Q3 & 9M FY 21-22 Vs. Q3 & 9M 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 couple of products.

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.

Segment Results



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.

Financial Ratios

	Particulars	Units	Q3 21-22	Q2 21-22	Q3 20-21	9M 21-22	9M 20-21	FY 20-21
A	Return Ratios							
	RoE	%	8.17	4.52	4.42	16.09	7.00	12.30
	RoCE	%	9.21	6.29	5.45	20.39	8.34	15.16
B	Margin Ratios							
	EBITDA Margin	%	28.31	20.56	24.06	25.52	15.69	19.56
	Net Profit Margin	%	22.62	13.47	15.92	18.06	11.20	13.44
C	Per Share Ratios							
	EPS	₹ / Share	34.64	18.16	15.45	68.23	24.47	44.35
	Book Value	₹ / Share	463	419	363	463	363	385
	P/E Ratio	₹ / Share	-	-	-	-	-	6.77
D	Liquidity Ratios							
	Current Ratio	Times	3.93	3.27	3.28	3.93	3.28	3.57
E	Market Capitalization #	₹ Crores	6,849	6,749	3,481	6,849	3,481	4,666

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

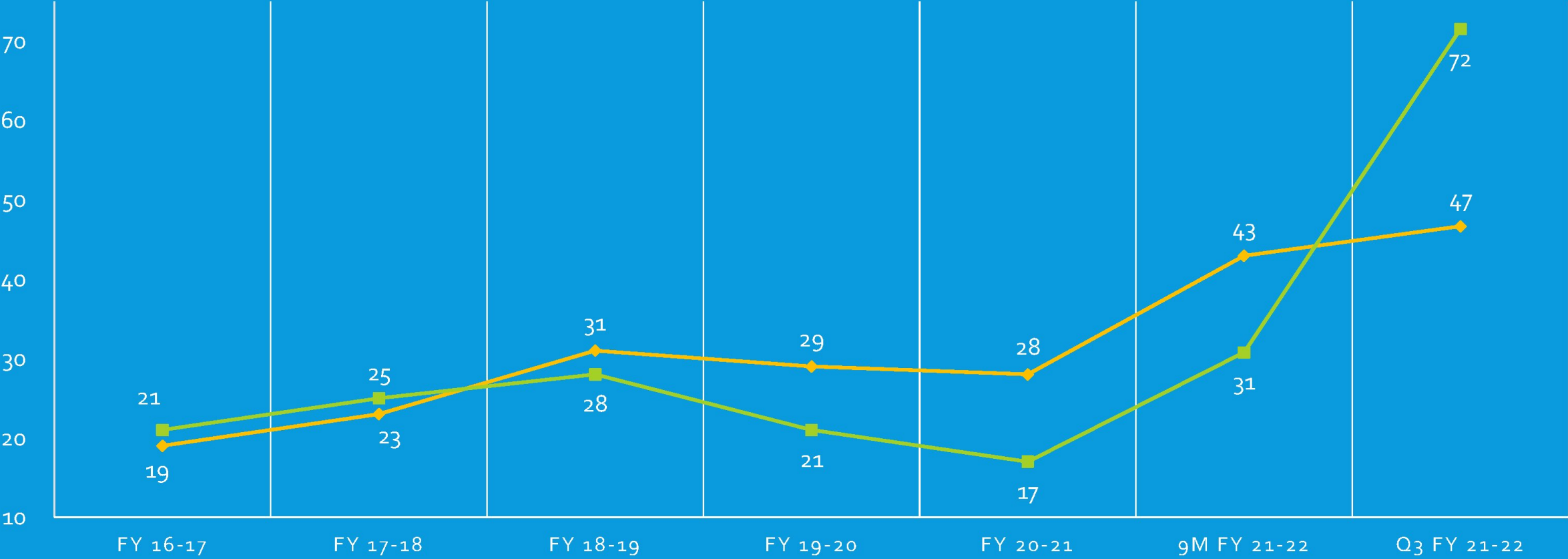
✓ Quarter end Ratios are Not Annualized hence P/E ratio is given only for full year.

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

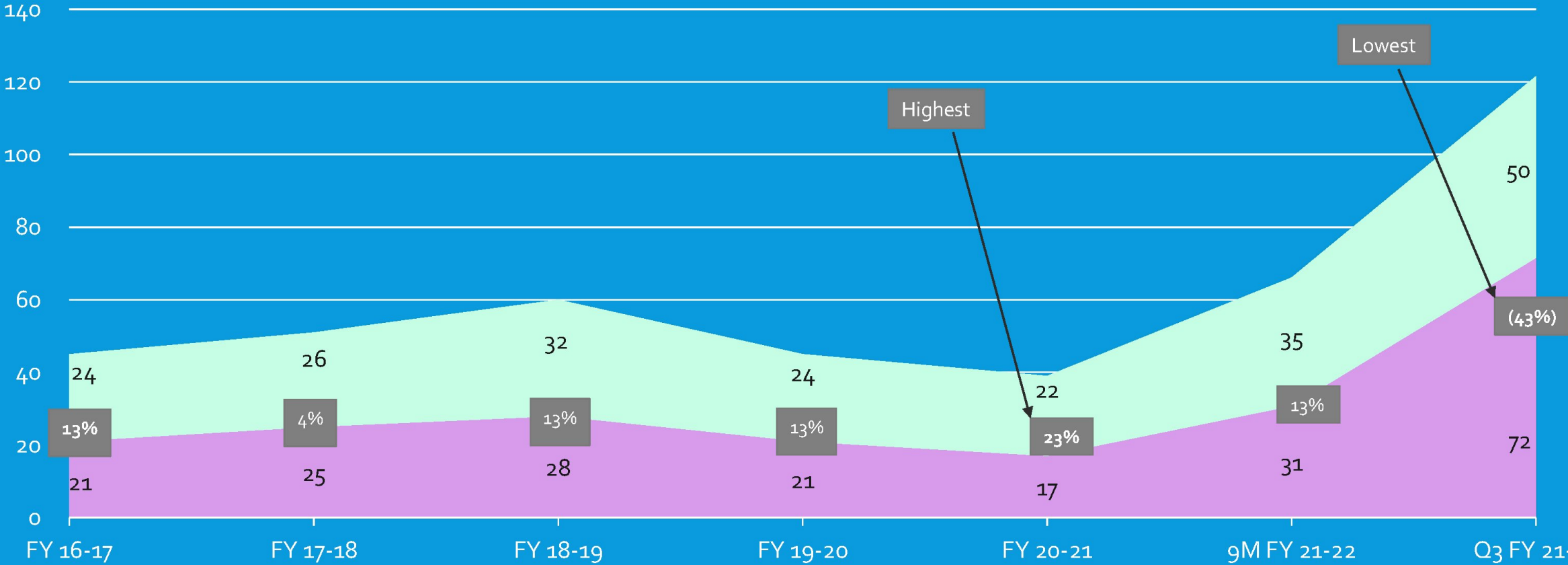


Source: Company

Feedstock Spreads

Price (NG ₹ / SM₃ Methanol ₹ / kg)

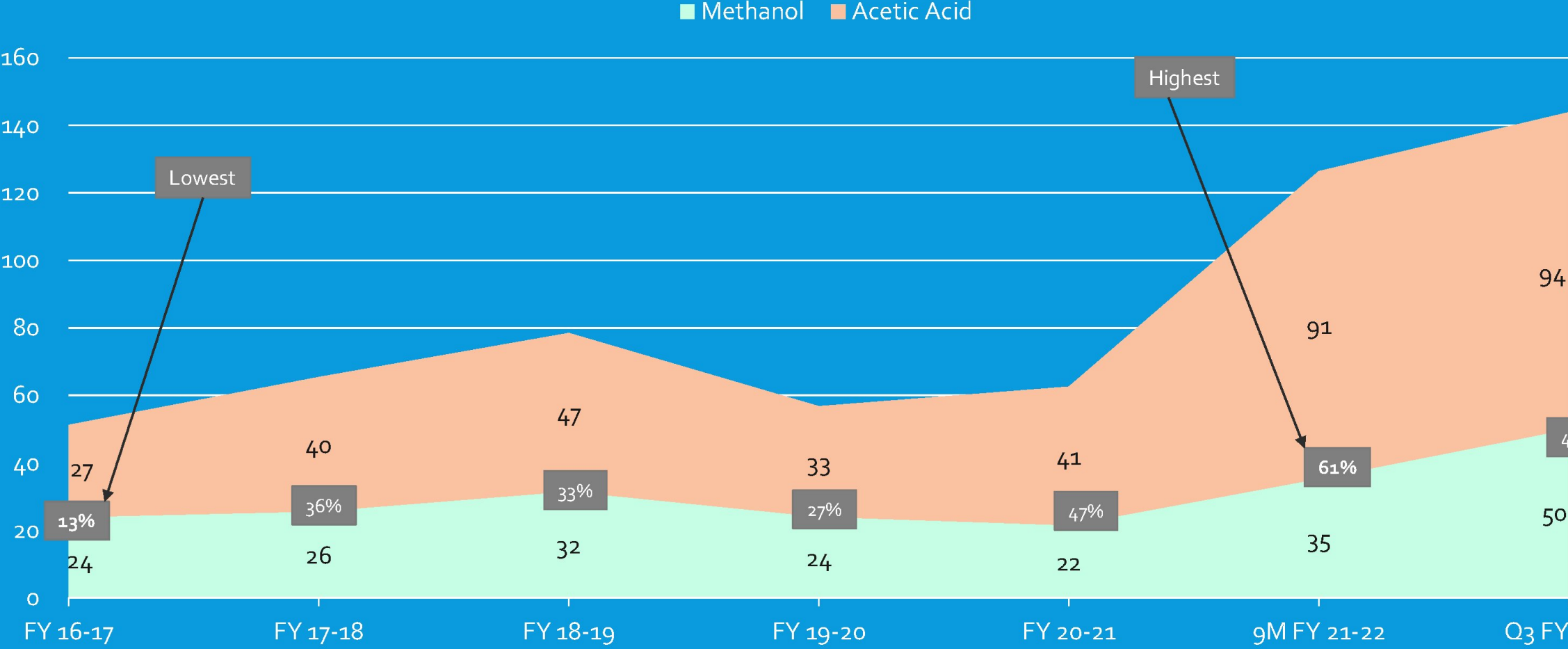
■ Natural Gas ■ Methanol



Source: Company

Feedstock Spreads

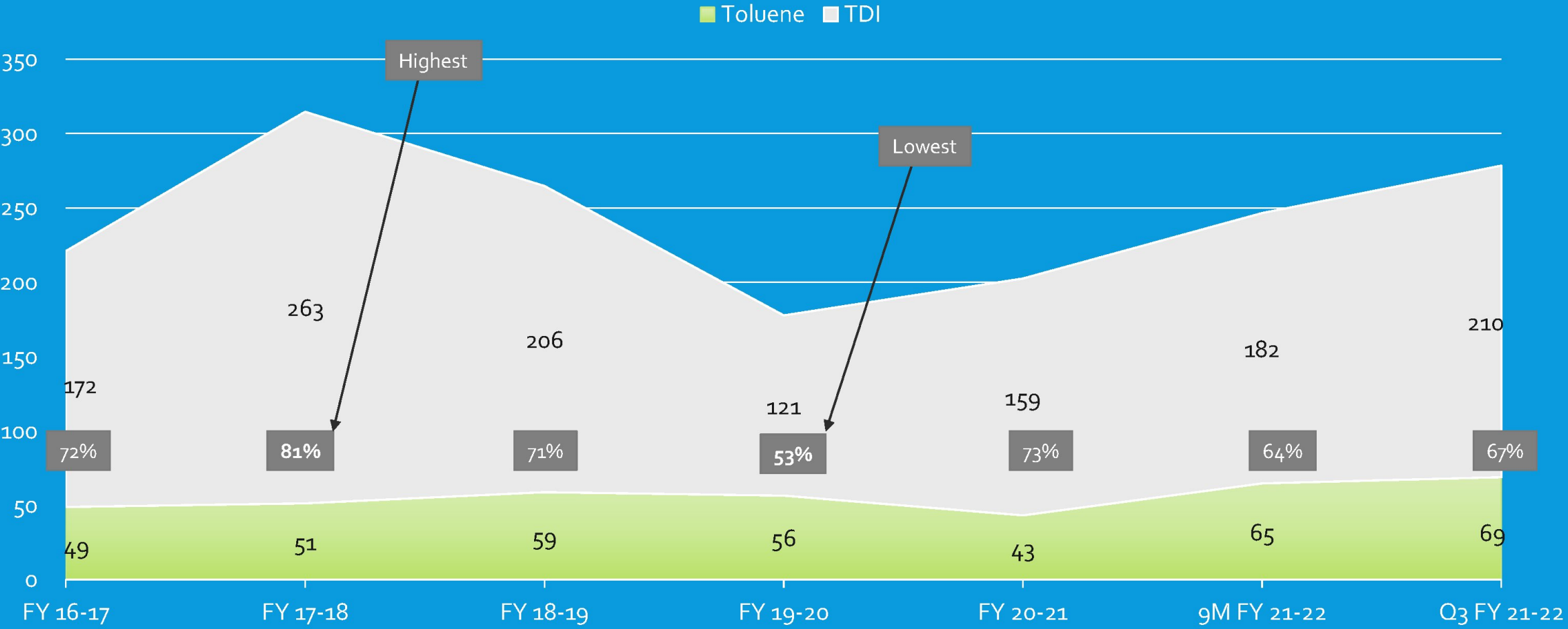
Price (₹ '000/MT)



Source: Company

Feedstock Spreads

Price (₹ '000/MT)



Source: Company

Ongoing Projects Status

<i>Particulars</i>	<u><i>Concentrated Nitric Acid (CNA)-IV Project</i></u>	<u><i>Formic Acid Revamp (FAR) Project</i></u>	<u><i>4 MW Solar Power Project</i></u>	<u><i>TDI-II plant reliability</i></u>
Production capacity	50 KTPA	6.6 KTPA	04 MW (AC)	16 KTPA
Capex (₹. In Crores.)	109	83	26	170
Expected Completion	October 2022	March 2022	September 2022	Completed in December 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 CO ₂ emission apart from reducing power cost.	Reliability and throughput at Dahej plant will improve.

Future Projects Status

	<i>Particulars</i>	<u>WNA</u>	<u>AN-II</u>	<u>Ammonia Expansion</u>
1	Capacity (MTPA)	200000	100000	50000
2	Capex (₹. In Crores.)	890	170	220

Advantages:

- ✓ Ammonia expansion 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.



Questions are welcome



Thank You