

Gandhinagar, May 21, 2024:

Gujarat State Fertilizers & Chemicals Limited (GSFC) is a Fortune India 500 company having an integrated Fertilizers and Industrial Products complex, promoted by the Government of Gujarat. The company announced its Q4/FY 23-24 results today, highlights were as under.

Particulars	Rs Crores				
	FY 23-24		FY 22-23	FY 23-24	FY 22-23
	Q4	Q3	Q4		
Operating Revenue	1,216	1,222	1,272	5,399	5,488
Subsidy Income	724	722	1,138	3,533	5,810
Other Income	52	81	26	376	146
Total Income	1,992	2,024	2,437	9,308	11,445
Operating EBIDTA @	25	104	342	482	1,617
PBT	23	138	321	664	1,568
PAT	21	112	240	524	1,293
EPS (Rs/ Share, not annualised)	0.53	2.82	6.03	13.16	32.45

@ Excludes Other income.

FY 23-24 was a challenging year for the company due to external headwinds in both Fertilizers and Industrial Products segments. The company registered sales de-growth of 21% and EBIDTA de-growth of 51% YoY. Fertilizer segment top-line and bottom-line were dampened by steep downwards revision in subsidy rates. YoY Fertilizer sales decreased by Rs 2158 Crores (25%) in value terms despite increase by 1.08 Lakh MT (6%) in volume terms. While raw materials prices softened YoY, it was exceeded by the decrease in subsidy rates, thus squeezing fertilizers EBIT margins from 17% to 5%. On the Industrial products front, lower sales realization of major products squeezed the top line by 8% YoY.

Key Balance sheet Highlights:

Particulars	Rs. Crores	
	31/03/2023	31/03/2024
PPE Including CWIP	2,773	2,779
Investments	5,279	5,956
Other Non Current Assets	427	550
Cash & Bank balance (including short term deposits)	1,423	2,280
Net Working Capital	2,847	2,063
Total Assets	12,749	13,628
Borrowings	-	-
Deferred tax liability (net)	473	447
Other Non Current Liabilities	312	570
OCI	4,077	4,824
Net worth	7,887	7,787
Total Liabilities	12,749	13,628

With high net worth proportion in the overall balance sheet size and long-term debt free position, the company has a strong financial position to fund its capex plans and wither future shock.

Cash Flow summary:

Particulars	Rs. Crores	
	FY 22-23	FY 23-24
Opening Balance	307	1,083
Cash Flow From Operating Activities (Net)	929	(272)
Cash Flow From Investment Activities	(40)	105
Cash Flow From Financing Activities	(114)	(403)
Closing Balance	1,083	513

Other Comprehensive Income:

It represents mainly the change in quoted and unquoted value of long-term investments held and Re-measurement gains/ (losses) on defined benefit plans.

Capex led Growth Plan:

Ongoing Projects	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
HX Crystal Project	6.6 KTPA				
15 MW Solar Power Project at Charanka	15 MW(AC)				
Urea-II Revamping Project	Energy Reduction				
Sulphuric Acid (SA-V) Project	198 KTPA				
Participation in GIPCL'S 75 MW Solar Power Project	37.5 MW(AC)				
10 MW Electrolyser based Green Hydrogen Project	Phase-I				
Phosphoric Acid (PA) and Sulphuric Acid(SA) Project at Sikka	198 KTPA PA & 594 KTPA SA				

Outlook:

The country is likely to witness “Above Normal” rainfall with 106% Long Period Average (LPA), brightening prospects for fertilizer industry in Kharif’24. However, Nutrient Based Subsidy (NBS) rates for Kharif’24 announced in March’24 are broadly non-remunerative for the industry. At current MRP & NBS subsidy, barring few NPK grades, Imports as well Manufacturing of DAP & NPK fertilizers is broadly non-viable. The company plans to follow production with mix of DAP & Non- DAP products during Q1-24/25 so as to optimize the cost and targets sales of about 4.5 LMT during current quarter.

The demand of our industrial products from various application sectors is likely to remain stable during next quarter. Considering planned annual shutdown of Caprolactam-II & Nylon-I plants during Q1 24-25, overall sales of our industrial products are expected to reduce in next quarter.



About GSFC:

GSFC is a joint sector company promoted by Government of Gujarat. Incorporated in 1962, the company is producer of bulk and non bulk fertilizers and chemicals. Its product portfolio is a result of plant integration developed over a period of time. Most products are import substitutes and contribute to saving valuable foreign exchange. It pioneered the manufacturing of DAP complex fertilizer in India, is the sole producer of Melamine HX Sulphate Crystal and amongst the major producers of Caprolactam, Nylon 6 and Methanol in the country.

Disclaimer:

The statements in outlook describing the company's objectives, expectations or projections, may be forward looking and it is not unlikely that the actual outcome may differ materially from that expressed, influenced by wide variety of factors affecting the business environment and the company's operations. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.
